



**STATE OF ILLINOIS
ADAMS, BROWN, CASS, MORGAN, PIKE, AND SCOTT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 1**

**FINANCIAL AUDIT
For the Year Ended June 30, 2021**

**Performed as Special Assistant Auditors
For the Auditor General, State of Illinois**

**ADAMS, BROWN, CASS, MORGAN, PIKE, AND SCOTT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 1**

TABLE OF CONTENTS

		PAGE
OFFICIALS		1
FINANCIAL REPORT SUMMARY		2
FINANCIAL STATEMENT REPORT SUMMARY		4
 FINANCIAL SECTION		
Independent Auditor’s Report.....		5
Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>		8
Schedule of Findings and Responses.....		10
Financial Statement Findings.....		11
Corrective Action Plan for Current Year Audit Findings.....		17
Summary Schedule of Prior Audit Findings Not Repeated.....		21
 BASIC FINANCIAL STATEMENTS		
	EXHIBIT	
Government-wide Financial Statements		
Statement of Net Position.....	A	22
Statement of Activities.....	B	23
Fund Financial Statements		
Governmental Funds – Balance Sheet.....	C	24
Governmental Funds – Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position.....	D	25
Governmental Funds – Statement of Revenues, Expenditures, and Changes in Fund Balances.....	E	26
Governmental Funds – Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities.....	F	27
Proprietary Funds – Statement of Net Position.....	G	28
Proprietary Funds – Statement of Revenues, Expenses, and Changes in Fund Net Position.....	H	29
Proprietary Funds – Statement of Cash Flows.....	I	30
Fiduciary Funds – Statement of Fiduciary Net Position.....	J	31
Fiduciary Funds – Statement of Changes in Fiduciary Net Position.....	K	32
Notes to the Financial Statements.....		33

**ADAMS, BROWN, CASS, MORGAN, PIKE, AND SCOTT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 1**

TABLE OF CONTENTS (CONTINUED)

			PAGE
REQUIRED SUPPLEMENTARY INFORMATION			
Illinois Municipal Retirement Fund – Schedule of Changes in the Net Pension Liability and Related Ratios.....			77
Illinois Municipal Retirement Fund – Schedule of Employer Contributions.....			78
Teachers’ Retirement System of the State of Illinois – Schedule of the Employer’s Proportionate Share of the Net Pension Liability and Schedule of Employer Contributions.....			79
Teachers’ Health Insurance Security Fund – Schedule of the Employer’s Proportionate Share of the Collective Net Other Postemployment Benefit Liability and Schedule of Employer Contributions.....			80
Western Area School Health Benefit Plan – Schedule of Changes in the Total OPEB Liability and Related Ratios.....			81
 SUPPLEMENTAL INFORMATION			
		SCHEDULE	
General Fund Accounts:			
Combining Schedule of Accounts.....	1		82
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances.....	2		84
Education Fund Accounts:			
Combining Schedule of Accounts.....	3		86
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances.....	4		91
Budgetary Comparison Schedules:			
Regional Office of Prevention Effectiveness Services (ROPES)	5		96
Truants Alternative and Optional Education.....	6		97
ROE/ISC Operations.....	7		98
McKinney Education for Homeless Children	8		99
Regional Safe Schools.....	9		100
Child and Family Connections.....	10		101
Regional Safe Schools Cooperative.....	11		102
Title II – Teacher Quality –Leadership.....	12		103
Supporting Effective Educator Development.....	13		104
Education Innovation and Research Grant.....	14		105
Elementary and Secondary School Relief Grant.....	15		106
Elementary and Secondary Digital Equity.....	16		107

**ADAMS, BROWN, CASS, MORGAN, PIKE, AND SCOTT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 1**

TABLE OF CONTENTS (CONCLUDED)

SUPPLEMENTAL INFORMATION (CONCLUDED)	SCHEDULE	PAGE
Nonmajor Special Revenue Funds:		
Combining Balance Sheet.....	17	108
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances.....	18	109
Nonmajor Proprietary Funds:		
Combining Statement of Net Position.....	19	110
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position.....	20	111
Combining Statement of Cash Flows.....	21	112

**ADAMS, BROWN, CASS, MORGAN, PIKE, AND SCOTT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 1**

OFFICIALS

Regional Superintendent
(current and during the audit period)

Ms. Jill Reis

Assistant Regional Superintendent
(current and during the audit period)

Ms. Julie Stratman

Office is located at:

507 Vermont Street, Suite 104
Quincy, Illinois 62301

**ADAMS, BROWN, CASS, MORGAN, PIKE, AND SCOTT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 1
FINANCIAL REPORT SUMMARY**

The financial audit testing performed in this audit was conducted in accordance with *Government Auditing Standards* and in accordance with the Illinois State Auditing Act.

AUDITOR’S REPORTS

The auditor’s reports do not contain scope limitations, disclaimers, or other significant non-standard language.

SUMMARY OF AUDIT FINDINGS

<u>Number of</u>	<u>This Audit</u>	<u>Prior Audit</u>
Audit findings	4	2
Repeated audit findings	2	-
Prior recommendations implemented or not repeated	-	-

Details of audit findings are presented in a separate report section.

SUMMARY OF FINDINGS AND RESPONSES

<u>Item No.</u>	<u>Page</u>	<u>Description</u>	<u>Finding Type</u>
<i>Findings (Government Auditing Standards)</i>			
2021-001	11	Inadequate Controls Over Bank Reconciliation Process	Significant Deficiency
2021-002	13	Inadequate Controls Over Receipts	Significant Deficiency
2021-003	14	Lack of Adequate Controls over the Review of Internal Controls over External Service Providers	Significant Deficiency
2021-004	16	Noncompliance with Grant Requirements	Noncompliance

Prior Audit Findings not Repeated (Government Auditing Standards)

None

**ADAMS, BROWN, CASS, MORGAN, PIKE, AND SCOTT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 1
FINANCIAL REPORT SUMMARY**

EXIT CONFERENCE

The findings and recommendations appearing in this report were discussed with Agency personnel at an exit conference on February 22, 2022. Attending from the Regional Office of Education No. 1 were Jill Reis, Regional Superintendent; Heather Factor, Bookkeeper; and from Adelfia LLC were Maria Divina Valera, Stella Marie Santos, and Jennifer Roan, Partners. Responses to the recommendations were provided by Jill Reis, Regional Superintendent, on February 22, 2022.

**ADAMS, BROWN, CASS, MORGAN, PIKE, AND SCOTT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 1
FINANCIAL STATEMENT REPORT SUMMARY**

The audit of the accompanying basic financial statements of Adams, Brown, Cass, Morgan, Pike, and Scott Counties Regional Office of Education No. 1 was performed by Adelfia LLC.

Based on their audit, the auditors expressed an unmodified opinion on the Adams, Brown, Cass, Morgan, Pike, and Scott Counties Regional Office of Education No. 1's basic financial statements.



INDEPENDENT AUDITOR'S REPORT

Honorable Frank J. Mautino
Auditor General
State of Illinois

Report on the Financial Statements

As Special Assistant Auditors for the Auditor General, we have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Adams, Brown, Cass, Morgan, Pike, and Scott Counties Regional Office of Education No. 1, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Adams, Brown, Cass, Morgan, Pike, and Scott Counties Regional Office of Education No. 1's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used

and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Adams, Brown, Cass, Morgan, Pike, and Scott Counties Regional Office of Education No. 1, as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Illinois Municipal Retirement Fund – Schedule of Changes in the Net Pension Liability and Related Ratios, Illinois Municipal Retirement Fund – Schedule of Employer Contributions, Teachers’ Retirement System of the State of Illinois – Schedule of the Employer’s Proportionate Share of the Net Pension Liability and Schedule of Employer Contributions, Teachers’ Health Insurance Security Fund – Schedule of the Employer’s Proportionate Share of the Collective Net Other Postemployment Benefit Liability and Schedule of Employer Contributions, and Western Area School Health Benefit Plan – Schedule of Changes in the Total OPEB Liability and Related Ratios on pages 77 through 81 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the Management’s Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Adams, Brown, Cass, Morgan, Pike, and Scott Counties Regional Office of Education No. 1's basic financial statements. The combining schedules of accounts, the budgetary comparison schedules, and the combining fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining schedules of accounts, the budgetary comparison schedules, and the combining fund financial statements are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining schedules of accounts, the budgetary comparison schedules, and the combining fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 22, 2022 on our consideration of the Adams, Brown, Cass, Morgan, Pike, and Scott Counties Regional Office of Education No. 1's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Adams, Brown, Cass, Morgan, Pike, and Scott Counties Regional Office of Education No. 1's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Adams, Brown, Cass, Morgan, Pike, and Scott Counties Regional Office of Education No. 1's internal control over financial reporting and compliance.

SIGNED ORIGINAL ON FILE

Chicago, Illinois
March 22, 2022



**INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED
ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS***

Honorable Frank J. Mautino
Auditor General
State of Illinois

As Special Assistant Auditors for the Auditor General, we have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Adams, Brown, Cass, Morgan, Pike, and Scott Counties Regional Office of Education No. 1, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise Adams, Brown, Cass, Morgan, Pike, and Scott Counties Regional Office of Education No. 1’s basic financial statements, and have issued our report thereon dated March 22, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Adams, Brown, Cass, Morgan, Pike, and Scott Counties Regional Office of Education No. 1’s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Adams, Brown, Cass, Morgan, Pike, and Scott Counties Regional Office of Education No. 1’s internal control. Accordingly, we do not express an opinion on the effectiveness of Adams, Brown, Cass, Morgan, Pike, and Scott Counties Regional Office of Education No. 1’s internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Responses as items 2021-001, 2021-002, and 2021-003 that we consider to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Adams, Brown, Cass, Morgan, Pike, and Scott Counties Regional Office of Education No. 1's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying Schedule of Findings and Responses as item 2021-004.

Regional Office of Education No. 1's Responses to Findings

Adams, Brown, Cass, Morgan, Pike, and Scott Counties Regional Office of Education No. 1's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Responses. Adams, Brown, Cass, Morgan, Pike, and Scott Counties Regional Office of Education No. 1's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Adams, Brown, Cass, Morgan, Pike, and Scott Counties Regional Office of Education No. 1's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Adams, Brown, Cass, Morgan, Pike, and Scott Counties Regional Office of Education No. 1's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

SIGNED ORIGINAL ON FILE

Chicago, Illinois
March 22, 2022

**ADAMS, BROWN, CASS, MORGAN, PIKE, AND SCOTT COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 1
 SCHEDULE OF FINDINGS AND RESPONSES
 SECTION I – SUMMARY OF AUDITOR’S RESULTS
 For the Year Ended June 30, 2021**

Financial Statements in accordance with GAAP

Type of auditor’s report issued:

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?

_____ Yes _____ no

Significant deficiency(ies) identified?

_____ yes _____ no

Noncompliance material to financial statements noted?

_____ yes _____ no

**ADAMS, BROWN, CASS, MORGAN, PIKE, AND SCOTT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 1
SCHEDULE OF FINDINGS AND RESPONSES
SECTION II – FINANCIAL STATEMENT FINDINGS
For the Year Ended June 30, 2021**

FINDING 2021-001 - Inadequate Controls Over Bank Reconciliation Process (Repeat from Finding 20-001)

CRITERIA/SPECIFIC REQUIREMENT:

Effective internal control policies require complete and accurate accounting records of all transactions of the entity. Sound internal controls require bank reconciliations to be performed accurately and promptly. Reconciling items should be investigated immediately, and adjustments made to the general ledger. Bank reconciliations should also be reviewed and approved by a person independent of the preparer in a timely manner.

CONDITION:

The Regional Office of Education No. 1 maintains 11 bank accounts. During our audit, we noted that in four bank accounts, monthly reconciliations were not performed timely for six out of twelve months. 28 of 48 monthly bank reconciliations (58 percent) were reconciled more than a month late.

EFFECT:

Failure to prepare bank reconciliations on a timely basis may lead to loss or misuse of assets due to improper control and monitoring of bank accounts. Delay in the preparation of bank reconciliations renders this internal control procedure ineffective for immediately detecting irregularities and inaccuracies in the financial records.

CAUSE:

Regional Office of Education No. 1's management indicated bank reconciliations were delayed due to system issues that were not resolved timely for them to prepare their bank reconciliations.

RECOMMENDATION:

The Regional Office of Education No. 1 should prepare monthly bank reconciliations on a timely basis. This would ensure that the cash balance per ledger is correct and cash transactions are fully accounted for. The Regional Office of Education No. 1 should identify alternative procedures to manage future system issues.

**ADAMS, BROWN, CASS, MORGAN, PIKE, AND SCOTT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 1
SCHEDULE OF FINDINGS AND RESPONSES
SECTION II – FINANCIAL STATEMENT FINDINGS
For the Year Ended June 30, 2021**

FINDING 2021-001 - Inadequate Controls Over Bank Reconciliation Process (Repeat from Finding 20-001) (Continued)

MANAGEMENT’S RESPONSE:

The data transfer of moving to a new accounting system created unexpected challenges that resulted in monthly bank reconciliations not being completed in a timely manner. Management accepts this finding and will identify alternative procedures to manage future system issues.

**ADAMS, BROWN, CASS, MORGAN, PIKE, AND SCOTT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 1
SCHEDULE OF FINDINGS AND RESPONSES
SECTION II – FINANCIAL STATEMENT FINDINGS
For the Year Ended June 30, 2021**

FINDING 2021-002 - Inadequate Controls Over Receipts (Repeat from Finding 20-002)

CRITERIA/SPECIFIC REQUIREMENT:

Sound internal controls require a policy on timeliness of deposits, either based on dollar threshold or defined timeframe, from the date of receipt.

CONDITION:

The Regional Office of Education No. 1 did not document the date of cash receipts. During our audit, we used the dates of the checks received to determine timeliness of deposit. We noted 11 of 40 receipts tested (28 percent), totaling \$192,081, were not timely deposited, ranging from 1 to 33 days late.

EFFECT:

Failure to ensure the timely deposit of cash receipts could result in a compromise of internal controls, increases the risk of potential loss, and loss of interest income. Furthermore, without adequate supporting documentation, there is no trail to determine timeliness of deposit.

CAUSE:

Regional Office of Education No. 1's management indicated the exceptions noted were because they have not formally documented their deposit policy, which includes timing of deposit and required supporting documentation such as receipt date.

RECOMMENDATION:

The Regional Office of Education No. 1 should implement controls and maintain adequate supporting documentation to ensure cash receipts are deposited in a timely manner.

MANAGEMENT'S RESPONSE:

Management accepts this finding and will implement controls and maintain adequate supporting documentation to ensure cash receipts are deposited in a timely manner.

**ADAMS, BROWN, CASS, MORGAN, PIKE, AND SCOTT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 1
SCHEDULE OF FINDINGS AND RESPONSES
SECTION II – FINANCIAL STATEMENT FINDINGS
For the Year Ended June 30, 2021**

FINDING 2021-003 – Lack of Adequate Controls over the Review of Internal Controls over External Service Providers

CRITERIA/SPECIFIC REQUIREMENT:

The Regional Office of Education No. 1 is responsible for the design, implementation, and maintenance of internal controls, including the controls that are outsourced to service providers, related to information systems and operations to ensure resources and data are adequately protected from unauthorized or accidental disclosure, modifications, or destruction.

Generally accepted information technology guidance endorses the review and assessment of internal controls related to information systems and operations to assure the accurate processing and security of information.

CONDITION:

During testing, the auditors noted the Regional Office of Education No. 1 had not:

- Developed a formal process for identifying service providers and for either obtaining the Service Organization Controls (SOC) reports from the service providers and related subservice organization or performing alternative procedures to determine the impact of such service on its internal control environment prior to signing an agreement with the service provider.
- Documented its review of each of the SOC reports or performed alternative procedures to evaluate any issues relevant to the Regional Office of Education No. 1's internal controls.
- Monitored and documented the operation of the Complementary User Entity Controls (CUECs) relevant to the Regional Office of Education No. 1's operations.

EFFECT:

Without having obtained and reviewed a SOC report or another form of independent internal controls review, the Regional Office of Education No. 1 does not have assurance the external service provider's and its subservice organization's internal controls are adequate.

CAUSE:

Regional Office of Education No. 1's management indicated they understand the importance of a formal process to monitor service providers and did not realize the current process was not adequate to address all the issues noted.

**ADAMS, BROWN, CASS, MORGAN, PIKE, AND SCOTT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 1
SCHEDULE OF FINDINGS AND RESPONSES
SECTION II – FINANCIAL STATEMENT FINDINGS
For the Year Ended June 30, 2021**

FINDING 2021-003 – Lack of Adequate Controls over the Review of Internal Controls over External Service Providers (Concluded)

RECOMMENDATION:

We recommend the Regional Office of Education No. 1 identify all third-party service providers and determine and document if a review of controls is required. If required, the Regional Office of Education No. 1 should:

- Obtain SOC reports or perform independent review of internal controls associated with outsourced systems including services provided by subservice organizations prior to signing agreements with the providers and annually thereafter.
- Monitor and document the operation of the CUECs relevant to the Regional Office of Education No. 1's operations.
- Document its review of the SOC reports or perform alternative procedures, to evaluate all significant issues to ascertain if a corrective action plan exists and when it will be implemented, any impacts to the Regional Office of Education No. 1, and any compensating controls.
- Review contracts with service providers to ensure applicable requirements over the independent review of internal controls are included.

MANAGEMENT'S RESPONSE:

Management accepts this finding. ROE No. 1 will identify all third-party service providers and determine and document if a review of controls is required. If required, ROE No. 1 will:

- Obtain SOC reports prior to signing agreements and annually thereafter.
- Monitor and document the operation of the CUECs relevant to ROE No. 1's operations.
- Document the review of the SOC reports, evaluate all significant issues to ascertain if a corrective action plan exists and when it will be implemented, any impacts to ROE No. 1, and any compensating controls.
- Review contracts with service providers to ensure applicable requirements over the independent review of internal controls are included.

**ADAMS, BROWN, CASS, MORGAN, PIKE, AND SCOTT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 1
SCHEDULE OF FINDINGS AND RESPONSES
SECTION II – FINANCIAL STATEMENT FINDINGS
For the Year Ended June 30, 2021**

FINDING 2021-004 – Noncompliance with Grant Requirements

CRITERIA/SPECIFIC REQUIREMENT:

The Illinois Grant Funds Recovery Act (30 ILCS 705/4) requires State grant recipients with awards in excess of \$25,000 to submit quarterly expenditure reports to reflect the process of the grant program. The Illinois State Board of Education (ISBE) requires all grant recipients regardless of amount awarded, to submit quarterly expenditure reports. The *State and Federal Grant Administration Policy, Fiscal Requirements, and Procedures* of the ISBE Division of Funding and Disbursement Services require expenditure reports to be filed within 20 calendar days of the end of each reporting quarter.

CONDITION:

The Regional Office of Education No. 1 did not submit timely 8 of 25 (32%) quarterly expenditure reports, ranging from 2 to 21 days late.

EFFECT:

Late submission of expenditure reports results in non-compliance with grant requirements and may affect future funding by grantors.

CAUSE:

The Regional Office of Education No.1's management indicated in 4 of the exceptions noted, there were no expenditures during the quarter and they were not aware that reports were still required to be submitted. For the remaining 4 exceptions, it was an oversight on their end as 2 of the grants were new grants.

RECOMMENDATION:

The Regional Office should develop internal controls to ensure expenditure reports are submitted within the grantors' due date.

MANAGEMENT'S RESPONSE:

Management accepts this finding and will develop internal controls to ensure expenditure reports are submitted within the grantors' due date.

**ADAMS, BROWN, CASS, MORGAN, PIKE, AND SCOTT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 1
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS
For the Year Ended June 30, 2021**

CORRECTIVE ACTION PLAN

FINDING 2021-001 - Inadequate Controls Over Bank Reconciliation Process

CONDITION:

The Regional Office of Education No. 1 maintains 11 bank accounts. During our audit, we noted that in four bank accounts, monthly reconciliations were not performed timely for six out of twelve months. 28 of 48 monthly bank reconciliations (58 percent) were reconciled more than a month late.

PLAN:

The Regional Office of Education No. 1 will prepare monthly bank reconciliations on a timely basis. The Regional Office of Education No. 1 will identify alternative procedures to manage future system issues.

ANTICIPATED DATE OF COMPLETION:

June 30, 2022

CONTACT PERSON:

Honorable Jill Reis, Regional Superintendent of Schools

**ADAMS, BROWN, CASS, MORGAN, PIKE, AND SCOTT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 1
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS
For the Year Ended June 30, 2021**

CORRECTIVE ACTION PLAN (Continued)

FINDING 2021-002 - Inadequate Controls Over Receipts

CONDITION:

The Regional Office of Education No. 1 did not document the date of cash receipts. During our audit, we used the dates of the checks received to determine timeliness of deposit. We noted 11 of 40 receipts tested (28 percent), totaling \$192,081, were not timely deposited, ranging from 1 to 33 days late.

PLAN:

The Regional Office of Education No. 1 will implement controls and maintain adequate supporting documentation to ensure cash receipts are deposited in a timely manner.

ANTICIPATED DATE OF COMPLETION:

June 30, 2022

CONTACT PERSON RESPONSIBLE FOR CORRECTIVE ACTION:

Honorable Jill Reis, Regional Superintendent of Schools

**ADAMS, BROWN, CASS, MORGAN, PIKE, AND SCOTT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 1
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS
For the Year Ended June 30, 2021**

CORRECTIVE ACTION PLAN (Continued)

FINDING 2021-003 – Lack of Adequate Controls over the Review of Internal Controls over External Service Providers

CONDITION:

During testing, the auditors noted the Regional Office of Education No. 1 had not:

- Developed a formal process for identifying service providers and for either obtaining the Service Organization Controls (SOC) reports from the service providers and related subservice organization or performing alternative procedures to determine the impact of such service on its internal control environment prior to signing an agreement with the service provider.
- Documented its review of each of the SOC reports or performed alternative procedures to evaluate any issues relevant to the Regional Office of Education No. 1's internal controls.
- Monitored and documented the operation of the Complementary User Entity Controls (CUECs) relevant to the Regional Office of Education No. 1's operations.

PLAN:

ROE No. 1 will identify all third-party service providers and determine and document if a review of controls is required. If required, ROE No. 1 will:

- Obtain SOC reports prior to signing agreements and annually thereafter.
- Monitor and document the operation of the CUECs relevant to ROE No. 1's operations.
- Document the review of the SOC reports, evaluate all significant issues to ascertain if a corrective action plan exists and when it will be implemented, any impacts to ROE No. 1, and any compensating controls.
- Review contracts with service providers to ensure applicable requirements over the independent review of internal controls are included.

ANTICIPATED DATE OF COMPLETION:

June 30, 2022

CONTACT PERSON:

Honorable Jill Reis, Regional Superintendent of Schools

**ADAMS, BROWN, CASS, MORGAN, PIKE, AND SCOTT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 1
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS
For the Year Ended June 30, 2021**

CORRECTIVE ACTION PLAN (Concluded)

FINDING 2021-004 – Noncompliance with Grant Requirements

CONDITION:

The Regional Office of Education No. 1 did not submit timely 8 of 25 (32%) quarterly expenditure reports, ranging from 2 to 21 days late.

PLAN:

Regional Office of Education No. 1 will develop internal controls to ensure expenditure reports are submitted within the grantors' due date.

ANTICIPATED DATE OF COMPLETION:

June 30, 2022

CONTACT PERSON:

Honorable Jill Reis, Regional Superintendent of Schools

**ADAMS, BROWN, CASS, MORGAN, PIKE, AND SCOTT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 1
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS NOT REPEATED
For the Year Ended June 30, 2021**

There were no prior audit findings not repeated.

BASIC FINANCIAL STATEMENTS

ADAM, BROWN, CASS, MORGAN, PIKE, AND SCOTT COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 1
 STATEMENT OF NET POSITION
 JUNE 30, 2021

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 1,997,720	\$ 205,206	\$ 2,202,926
Accounts receivable	16,888	121	17,009
Due from other governments	364,002	3,411	367,413
Investments	73,195	-	73,195
Total current assets	2,451,805	208,738	2,660,543
Noncurrent assets:			
Capital assets, being depreciated, net	68,698	8,210	76,908
Net pension asset	402,163	-	402,163
Total noncurrent assets	470,861	8,210	479,071
TOTAL ASSETS	2,922,666	216,948	3,139,614
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	75,332	-	75,332
Deferred outflows related to OPEB	97,871	-	97,871
TOTAL DEFERRED OUTFLOWS OF RESOURCES	173,203	-	173,203
LIABILITIES			
Current liabilities:			
Accounts payable and accrued expenses	1,481	-	1,481
Compensated absences	4,215	-	4,215
Due to other governments	107,443	1,523	108,966
Unearned revenue	196,574	-	196,574
Total current liabilities	309,713	1,523	311,236
Noncurrent liabilities:			
Net pension liability	23,446	-	23,446
OPEB liability	482,389	-	482,389
Total noncurrent liabilities	505,835	-	505,835
TOTAL LIABILITIES	815,548	1,523	817,071
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	569,115	-	569,115
Deferred inflows related to OPEB	84,735	-	84,735
TOTAL DEFERRED INFLOWS OF RESOURCES	653,850	-	653,850
NET POSITION			
Investment in capital assets	68,698	8,210	76,908
Restricted	987,274	-	987,274
Unrestricted	570,499	207,215	777,714
TOTAL NET POSITION	\$ 1,626,471	\$ 215,425	\$ 1,841,896

The notes to the financial statements are an integral part of this statement.

ADAM, BROWN, CASS, MORGAN, PIKE, AND SCOTT COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 1
 STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED JUNE 30, 2021

FUNCTIONS/PROGRAMS	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Primary Government Business-Type Activities		Total
					Governmental Activities	Business-Type Activities	
Primary Government:							
Governmental Activities:							
Instructional services:							
Salaries and benefits	\$ 1,347,972	\$ -	\$ 864,619	\$ (483,353)	\$ -	\$ -	\$ (483,353)
Pension expense	(63,662)	-	60,675	124,337	-	-	124,337
OPEB expense	57,158	-	1,896	(55,262)	-	-	(55,262)
Purchased services	600,455	32,417	466,439	(101,599)	-	-	(101,599)
Supplies and materials	128,819	3,912	117,558	(7,349)	-	-	(7,349)
Other objects	8,714	19,562	3,792	14,640	-	-	14,640
Depreciation and disposition losses	19,412	-	-	(19,412)	-	-	(19,412)
Capital outlay	-	-	24,649	24,649	-	-	24,649
Intergovernmental:							
Payments to other governments	809,527	-	356,466	(453,061)	-	-	(453,061)
Administrative:							
On-behalf payments - Local	42,201	-	-	(42,201)	-	-	(42,201)
On-behalf payments - State	510,251	-	-	(510,251)	-	-	(510,251)
Total Governmental Activities	3,460,847	55,891	1,896,094	(1,508,862)	-	-	(1,508,862)
Business-Type Activities:							
Charges for services	33,410	51,717	-	-	18,307	18,307	18,307
Total Business-Type Activities	33,410	51,717	-	-	18,307	18,307	18,307
TOTAL PRIMARY GOVERNMENT	\$ 3,494,257	\$ 107,608	\$ 1,896,094	(1,508,862)	18,307	(1,490,555)	
GENERAL REVENUES:							
Local sources				368,100	-	-	368,100
State sources				866,186	-	-	866,186
On-behalf payments - Local				42,201	-	-	42,201
On-behalf payments - State				510,251	-	-	510,251
Investment earnings				6,647	497	497	7,144
Total General Revenues				1,793,385	497	497	1,793,882
CHANGE IN NET POSITION				284,523	18,804	303,327	
NET POSITION - BEGINNING				1,341,948	196,621	1,538,569	
NET POSITION - ENDING				\$ 1,626,471	\$ 215,425	\$ 1,841,896	

The notes to the financial statements are an integral part of this statement.

ADAM, BROWN, CASS, MORGAN, PIKE, AND SCOTT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 1
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2021

	Special Revenue				Eliminations	Total Governmental Funds
	General Fund	Education Fund	Institute Fund	Other Nonmajor Funds		
ASSETS						
Cash and cash equivalents	\$ 1,198,329	\$ 437,342	\$ 289,212	\$ 72,837	\$ -	\$ 1,997,720
Accounts receivable	16,555	303	-	30	-	16,888
Due from other funds	300,214	-	-	-	(300,214)	-
Due from other governments	8,847	354,625	-	530	-	364,002
Investments	64,989	-	8,206	-	-	73,195
Total assets	1,588,934	792,270	297,418	73,397	(300,214)	2,451,805
DEFERRED OUTFLOWS OF RESOURCES						
None	-	-	-	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 1,588,934	\$ 792,270	\$ 297,418	\$ 73,397	\$ (300,214)	\$ 2,451,805
LIABILITIES						
Accounts payable and accrued expenses	\$ 1,380	\$ 101	\$ -	\$ -	\$ -	\$ 1,481
Due to other funds	-	300,214	-	-	(300,214)	-
Due to other governments	26,358	81,085	-	-	-	107,443
Unearned revenue	-	196,574	-	-	-	196,574
Total liabilities	27,738	577,974	-	-	(300,214)	305,498
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue	130	23,715	-	130	-	23,975
FUND BALANCE						
Restricted	-	214,296	297,418	73,267	-	584,981
Assigned	52,330	-	-	-	-	52,330
Unassigned	1,508,736	(23,715)	-	-	-	1,485,021
Total fund balance	1,561,066	190,581	297,418	73,267	-	2,122,332
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	\$ 1,588,934	\$ 792,270	\$ 297,418	\$ 73,397	\$ (300,214)	\$ 2,451,805

The notes to the financial statements are an integral part of this statement.

ADAM, BROWN, CASS, MORGAN, PIKE, AND SCOTT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 1
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
GOVERNMENTAL FUNDS
JUNE 30, 2021

TOTAL FUND BALANCES — GOVERNMENTAL FUNDS	\$2,122,332
--	-------------

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	68,698
---	--------

Some revenues will not be collected for several months after the Regional Office's fiscal year ends; they are not considered "available" revenues and are deferred inflows of resources in the governmental funds.

Current year unavailable revenue	23,975
----------------------------------	--------

Noncurrent assets related to pension benefits are collected but are not payable in the current period, therefore, are not reported in the governmental funds.

Net pension asset	402,163
-------------------	---------

Noncurrent liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.

Liability for compensated absences	\$ (4,215)	
TRIS net pension liability	(23,446)	
THIS net OPEB liability	(241,322)	
WAS total OPEB liability	<u>(241,067)</u>	(510,050)

Pension and OPEB related deferred outflows of resources and deferred inflow of resources are not due and payable in the current year and therefore are not reported in the governmental funds as follows:

IMRF Deferred outflows of resources	56,764	
IMRF Deferred inflows of resources	(562,160)	
TRIS Deferred outflows of resources	18,568	
TRIS Deferred inflows of resources	(6,955)	
THIS Deferred outflows of resources	97,871	
THIS Deferred inflows of resources	<u>(84,735)</u>	<u>(480,647)</u>

NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>\$1,626,471</u></u>
---	---------------------------

The notes to the financial statements are an integral part of this statement.

ADAM, BROWN, CASS, MORGAN, PIKE, AND SCOTT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 1
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	Special Revenue				Eliminations	Total Governmental Funds
	General Fund	Education Fund	Institute Fund	Other Nonmajor Funds		
REVENUES						
Local sources	\$ 373,896	\$ 335,560	\$ 46,396	\$ 4,460	\$ -	\$ 760,312
On-behalf payments - Local	42,201	-	-	-	-	42,201
State sources	866,186	890,741	-	1,501	-	1,758,428
On-behalf payments - State	305,557	-	-	-	-	305,557
Federal sources	-	691,726	-	-	-	691,726
Investment earnings	5,079	540	935	93	-	6,647
Total revenues	1,592,919	1,918,567	47,331	6,054	-	3,564,871
EXPENDITURES						
Instructional services:						
Salaries and benefits	487,787	885,902	-	-	-	1,373,689
Pension expense	33,975	62,673	-	-	-	96,648
OPEB expense	245	1,863	-	-	-	2,108
Purchased services	117,325	478,937	-	4,193	-	600,455
Supplies and materials	7,447	121,366	-	6	-	128,819
Other objects	4,238	4,455	21	-	-	8,714
Intergovernmental:						
Payments to other governments	442,685	366,842	-	-	-	809,527
Administrative:						
On-behalf payments - Local	42,201	-	-	-	-	42,201
On-behalf payments - State	305,557	-	-	-	-	305,557
Capital outlay	8,510	26,134	-	-	-	34,644
Total expenditures	1,449,970	1,948,172	21	4,199	-	3,402,362
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	142,949	(29,605)	47,310	1,855	-	162,509
OTHER FINANCING SOURCES (USES):						
Transfers in	-	10,490	-	-	(10,490)	-
Transfers out	(10,490)	-	-	-	10,490	-
Total other financing sources (uses)	(10,490)	10,490	-	-	-	-
NET CHANGE IN FUND BALANCE	132,459	(19,115)	47,310	1,855	-	162,509
FUND BALANCE - BEGINNING	1,428,607	209,696	250,108	71,412	-	1,959,823
FUND BALANCE - ENDING	\$ 1,561,066	\$ 190,581	\$ 297,418	\$ 73,267	\$ -	\$ 2,122,332

The notes to the financial statements are an integral part of this statement.

ADAM, BROWN, CASS, MORGAN, PIKE, AND SCOTT COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 1
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
 GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2021

NET CHANGE IN FUND BALANCES — GOVERNMENTAL FUNDS \$ 162,509

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay	\$ 34,644	
Depreciation and disposition losses	<u>(19,412)</u>	15,232

Some revenues will not be collected for several months after the Regional Office fiscal year ends; they are considered "unavailable" revenues and are deferred inflows of resources in the governmental funds.

Prior year unavailable revenue	(48,170)	
Current year unavailable revenue	<u>23,975</u>	(24,195)

Certain expenses in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.

Change in compensated absences	7,965	
TRS and IMRF pension expense	160,310	
THIS and WAS OPEB expense	<u>(37,298)</u>	<u>130,977</u>

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 284,523

The notes to the financial statements are an integral part of this statement.

ADAM, BROWN, CASS, MORGAN, PIKE, AND SCOTT COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 1
 STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 JUNE 30, 2021

	Business-Type Activities Proprietary Funds	
	Nonmajor Enterprise Funds	Total
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 205,206	\$ 205,206
Accounts receivable	121	121
Due from other governments	3,411	3,411
Total current assets	208,738	208,738
Noncurrent assets:		
Capital assets, being depreciated, net	8,210	8,210
TOTAL ASSETS	216,948	216,948
DEFERRED OUTFLOWS OF RESOURCES		
None	-	-
LIABILITIES		
Current liabilities:		
Due to other governments	1,523	1,523
DEFERRED INFLOWS OF RESOURCES		
None	-	-
NET POSITION		
Invested in capital assets	8,210	8,210
Unrestricted	207,215	207,215
TOTAL NET POSITION	\$ 215,425	\$ 215,425

The notes to the financial statements are an integral part of this statement.

ADAM, BROWN, CASS, MORGAN, PIKE, AND SCOTT COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 1
 STATEMENT OF REVENUES, EXPENSES,
 AND CHANGES IN FUND NET POSITION
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2021

	Business-Type Activities Proprietary Funds	
	Nonmajor Enterprise Funds	Total
OPERATING REVENUES		
Charges for services	\$ 51,717	\$ 51,717
OPERATING EXPENSES		
Purchased services	27,267	27,267
Supplies and materials	3,709	3,709
Depreciation	2,434	2,434
Total operating expenses	33,410	33,410
OPERATING INCOME	18,307	18,307
NONOPERATING REVENUE		
Investment earnings	497	497
CHANGE IN NET POSITION	18,804	18,804
NET POSITION - BEGINNING	196,621	196,621
NET POSITION - ENDING	\$ 215,425	\$ 215,425

The notes to the financial statements are an integral part of this statement.

ADAM, BROWN, CASS, MORGAN, PIKE, AND SCOTT COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 1
 STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2021

	Business-Type Activities Proprietary Funds	
	Nonmajor Enterprise Funds	Total
Cash Flows from Operating Activities:		
Receipts from customers	\$ 50,066	\$ 50,066
Payments to suppliers and providers of goods and services	(31,022)	(31,022)
Net Cash Provided by Operating Activities	<u>19,044</u>	<u>19,044</u>
Cash Flows from Investing Activities:		
Interest income	497	497
Net Cash Provided by Investing Activities	<u>497</u>	<u>497</u>
Net increase in cash and cash equivalents	19,541	19,541
Cash and cash equivalents - Beginning	<u>185,665</u>	<u>185,665</u>
Cash and cash equivalents - Ending	<u>\$ 205,206</u>	<u>\$ 205,206</u>
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ 18,307	\$ 18,307
Adjustments to reconcile operating income to net cash provided by (used for) operating activities:		
Depreciation expense	2,434	2,434
(Increase)/Decrease in assets:		
Accounts receivable	29	29
Due from other governments	(1,680)	(1,680)
Increase/(Decrease) in liabilities:		
Due to other governments	(46)	(46)
Net cash provided by operating activities	<u>\$ 19,044</u>	<u>\$ 19,044</u>

The notes to the financial statements are an integral part of this statement.

ADAM, BROWN, CASS, MORGAN, PIKE, AND SCOTT COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 1
 STATEMENT OF FIDUCIARY NET POSITION
 FIDUCIARY FUND
 JUNE 30, 2021

	<u>Custodial Fund</u>
	<u>School Facility Occupation Tax</u>
ASSETS	
Cash and cash equivalents	\$ 4,465
Due from other governments	1,662,805
TOTAL ASSETS	1,667,270
 LIABILITIES	
Due to other governments	1,662,805
 NET POSITION	
Restricted for other governments	4,465
TOTAL NET POSITION	\$ 4,465

The notes to the financial statements are an integral part of this statement.

ADAM, BROWN, CASS, MORGAN, PIKE, AND SCOTT COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 1
 STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 FIDUCIARY FUND
 FOR THE YEAR ENDED JUNE 30, 2021

	<u>Custodial Fund</u>
	<u>School Facility Occupation Tax</u>
ADDITIONS	
Sales tax collections for other governments	\$ 5,987,873
Investment earnings	346
Total additions	5,988,219
DEDUCTIONS	
Payments of sales tax to other governments	5,987,873
Total deductions	5,987,873
CHANGE IN FIDUCIARY NET POSITION	346
NET POSITION BEGINNING, AS RESTATED (SEE NOTE 16)	4,119
NET POSITION - ENDING	\$ 4,465

The notes to the financial statements are an integral part of this statement.

ADAMS, BROWN, CASS, MORGAN, PIKE, AND SCOTT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 1
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Adams, Brown, Cass, Morgan, Pike, and Scott Counties Regional Office of Education No. 1 was formed under the provisions of the State of Illinois, Illinois State Board of Education.

In 2021, the Regional Office of Education No. 1 implemented Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*, applicable sections of GASB Statement No. 92, *Omnibus 2020* and applicable sections of GASB No. 93, *Replacement of Interbank Offered Rates*. The implementation of GASB No. 84 changed the definition of fiduciary activity and established new financial reporting requirements for state and local governments. Implementation of GASB Statement No. 84 resulted in a restatement to the Regional Office of Education No. 1's financial statements. The implementation of GASB Statement No. 92 and GASB Statement No. 93 did not have a significant effect on the Regional Office of Education No. 1's financial statements.

A. DATE OF MANAGEMENT'S REVIEW

Management has evaluated subsequent events through March 22, 2022, the date on which the financial statements were available to be issued.

B. FINANCIAL REPORTING ENTITY

The Regional Superintendent is charged with responsibility for township fund lands; registration of the names of applicants for scholarships to State-controlled universities; examinations and related duties; visitation of public schools; direction of teachers and school officers; serving as the official advisor and assistant of school officers and teachers; conducting teachers' institutes as well as aiding and encouraging the formation of other teachers' meetings and assisting in their management; evaluating the schools in the region; examining evidence of indebtedness; filing and keeping the returns of elections required to be returned to the Regional Superintendent's office; and filing and keeping the reports and statements returned by school treasurers and trustees.

The Regional Superintendent is also charged with the responsibilities of conducting a special census, when required; providing notice of money distributed to treasurers, board presidents, clerks, and secretaries of the school districts on or before each September 30; maintenance of a map and numbering of the Regional Office of Education No. 1's districts; providing township treasurers with a list of district treasurers; inspecting and approving building plans which comply with State law; performing and reporting on annual building inspections; investigating bus drivers for valid bus driver permits and taking related action as may be required; maintaining a list of unfilled teaching positions; and carrying out other related duties required or permitted by law.

The Regional Superintendent is responsible for inspection and approval or rejection of school treasurers' bonds. The Regional Superintendent is also required to provide the State Board of Education with an affidavit showing that the treasurers of school districts within the region are properly bonded.

ADAMS, BROWN, CASS, MORGAN, PIKE, AND SCOTT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 1
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. FINANCIAL REPORTING ENTITY (Concluded)

The Regional Superintendent is also responsible for apportionment and payment of funds received from the State for the districts in the region or seeing that no payments are made unless the treasurer has filed or renewed appropriate bond and that the district has certified publication of the annual financial report. The Regional Superintendent is required to provide opinions and advice related to controversies under school law.

For the period ended June 30, 2021, the Regional Office of Education No. 1 applied for, received, and administered numerous State and federal programs and grants in assistance and support of the educational activities of the school districts in Regional Office of Education No. 1. Such activities are reported as a single special revenue fund (Education Fund).

C. SCOPE OF THE REPORTING ENTITY

The Regional Office of Education No. 1's reporting entity includes all related organizations for which it exercises oversight responsibility.

The Regional Office of Education No. 1 has developed criteria to determine whether outside agencies with activities that benefit the citizens of the region, including districts or joint agreements which serve pupils from numerous regions, should be included in its financial reporting entity. The criteria include, but are not limited to, whether the Regional Office of Education No. 1 exercises oversight responsibility (which includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters), scope of public service, and special financing relationships.

The districts and joint agreements have been determined not to be a part of the reporting entity after applying the criteria of exercising oversight, scope of public service, and special financing relationships, and they are therefore excluded from the accompanying financial statements because the Regional Office of Education No. 1 does not control the assets, operations, or management of the districts or joint agreements. In addition, the Regional Office of Education No. 1 is not aware of any entity that would exercise such oversight as to result in the Regional Office of Education No. 1 being considered a component unit of the entity.

D. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The Statement of Net Position and the Statement of Activities are government-wide financial statements. They report information on all of the Regional Office of Education No. 1's nonfiduciary activities of the primary government. For the most part, the effect of interfund activities has been removed from these statements. Governmental activities include programs supported primarily by State and federal grants and other intergovernmental revenues. The Regional Office of Education No. 1 has three business-type activities that rely on fees and charges for support.

ADAMS, BROWN, CASS, MORGAN, PIKE, AND SCOTT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 1
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (Concluded)

The Regional Office of Education No. 1's government-wide financial statements include a Statement of Net Position and a Statement of Activities. These statements present a summary of governmental and business-type activities for the Regional Office of Education No. 1 accompanied by a total column. These statements are presented using an economic resources measurement focus as prescribed by GASB Statement No. 34. All of the Regional Office of Education No. 1's assets (including capital assets), deferred outflows of resources, liabilities, and deferred inflows of resources are included in the accompanying Statement of Net Position. The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include (1) charges for services and (2) grants and contributions that are restricted to meeting operational or capital requirements of a particular function.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental and proprietary funds are reported as separate columns in the fund financial statements. Nonmajor funds are aggregated and presented in a single column.

Certain eliminations have been made as prescribed by GASB Statement No. 34 in regards to interfund activities, such as payables, receivables, and transfers. Interfund activities between governmental funds and between governmental funds and proprietary funds appear as due to/due from other funds on the Governmental Fund Balance Sheet and Proprietary Fund Statement of Net Position and as other financing sources/uses on the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and on the Proprietary Fund Statement of Revenues, Expenses, and Changes in Fund Net Position. All interfund transactions between governmental funds are eliminated on the government-wide financial statements. Interfund activities between governmental funds and business-type funds remain as due to/due from on the government-wide financial statements. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities. In the Statement of Activities, transactions between governmental and business-type activities have not been eliminated.

The purpose of interfund borrowing and permanent transfers is to cover temporary or permanent shortfalls in cash flow within grant programs and funds or to move unrestricted funding.

E. PROPRIETARY FUND FINANCIAL STATEMENTS

Proprietary fund financial statements include a Statement of Net Position; a Statement of Revenues, Expenses, and Changes in Fund Net Position; and a Statement of Cash Flows for each major proprietary fund and nonmajor funds aggregated.

ADAMS, BROWN, CASS, MORGAN, PIKE, AND SCOTT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 1
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. PROPRIETARY FUND FINANCIAL STATEMENTS (Concluded)

Proprietary funds are accounted for using the economic resources measurement focus and the accrual basis of accounting. Accordingly, all assets and liabilities (whether current or noncurrent) are included on the Statement of Net Position. The Statement of Revenues, Expenses, and Changes in Fund Net Position presents increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

Operating revenues in the proprietary funds are those revenues that are generated from the primary operations of the fund. All other revenues are reported as nonoperating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as nonoperating expenses.

F. GOVERNMENTAL FUND FINANCIAL STATEMENTS

Governmental fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures, and Changes in Fund Balances for all major governmental funds and nonmajor funds aggregated. An accompanying schedule is presented to reconcile and explain the differences in fund balances and changes in fund balances as presented in these statements to the net position and changes in net position presented in the government-wide financial statements.

The governmental fund financial statements have been prepared in accordance with generally accepted accounting principles using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., when both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Revenues received more than 60 days after the end of the current period are deferred in the governmental fund financial statements but are recognized as current revenues in the government-wide financial statements. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, except expenditures for prepaid expenses and other long-term obligations, which are recognized when paid.

G. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the grantor have been met.

ADAMS, BROWN, CASS, MORGAN, PIKE, AND SCOTT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 1
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (Concluded)

The governmental funds financial statements focus on the measurement of spending, or “financial flow,” and the determination of changes in financial position, rather than upon net income determination. This means that only current assets and current liabilities are generally included on their balance sheets. The reported fund balance (net current assets) is considered a measure of “available spendable resources.” Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of “available spendable resources” during a period.

In applying the susceptible-to-accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. There are, however, essentially two types of these revenues. In one, monies must be expended on the specific purpose or project before any amounts will be paid to the Regional Office of Education No. 1; therefore, revenues are recognized based upon the expenditures recorded. In the other, monies are virtually unrestricted as to purpose of expenditure and are usually recoverable only for failure to comply with prescribed compliance requirements. These resources are reflected as revenues at the time of receipt or earlier if the susceptible-to-accrual criteria are met.

Under the terms of grant agreements, Adams/Brown/Cass/Morgan/Pike/Scott Counties Regional Office of Education No. 1 funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted funding resources available to finance the program. It is the Regional Office of Education No. 1’s policy to first apply restricted funds to such programs, and then unrestricted funds. For unrestricted funds, committed funds are used first, then assigned funds, then unassigned funds if any.

H. FUND ACCOUNTING

The Regional Office of Education No. 1 uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The Regional Office of Education No. 1 uses governmental, proprietary, and fiduciary funds.

GOVERNMENTAL FUNDS

Governmental funds are those through which most governmental functions typically are reported. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purpose for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets plus deferred outflows of resources and liabilities plus deferred inflows of resources is reported as fund balance.

ADAMS, BROWN, CASS, MORGAN, PIKE, AND SCOTT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 1
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. FUND ACCOUNTING (Continued)

GOVERNMENTAL FUNDS (Continued)

As prescribed by GASB Statement No. 34, governmental fund reporting focuses on the major funds, rather than on the fund type. There is a two-step process for determining if a fund should be reported as a major fund: (1) total assets (including deferred outflows), liabilities (including deferred inflows), revenues, or expenditures/expenses (excluding extraordinary items) of an individual fund are at least 10% of the corresponding total for the fund type, and (2) total assets (including deferred outflows), liabilities (including deferred inflows), revenues, or expenditures/expenses (excluding extraordinary items) of an individual fund are at least 5% of the corresponding total for the total of all governmental and proprietary funds combined. Funds that do not meet the major fund determination requirements are reported in aggregate as nonmajor funds. The Regional Office of Education No. 1 has presented all major funds that met the above qualifications.

The Regional Office of Education No. 1 reports the following major governmental funds:

General Fund – The General Fund is the general operating fund of the Regional Office of Education No. 1 and is used to account for financial resources in the Region except those required to be accounted for and reported in another fund. The General Fund is always considered a major fund. The following accounts are included in the General Fund:

General Operations – This fund accounts for monies received for expenditures in connection with general administrative activities.

General State Aid – This fund maintains revenues received from the State Board of Education earned on a per child basis and administers related program expenditures.

Miscellaneous Fund – This fund represents accumulated unused grant funds from programs that no longer exist.

Copier Fund – This fund accounts for all expenditures related to copiers.

Postage Fund – This fund accounts for all expenditures related to postage.

School Directory – This fund accounts for school directory expenditures that are made available to all the districts in the Region.

Lafayette Academy – This program serves students with attendance problems and/or dropouts. The program provides a full-time option for regular school attendance and offers modified instructional programs and other services designed to prevent students from dropping out of school.

ADAMS, BROWN, CASS, MORGAN, PIKE, AND SCOTT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 1
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. FUND ACCOUNTING (Continued)

GOVERNMENTAL FUNDS (Continued)

General Fund (Concluded)

Dental Sealants Fund – This fund is to account for the costs associated with providing the dental sealant program to Morgan and Scott County schools.

Pike County Film Coop – This fund was financed in prior years by contributions from the six member schools within Pike County based on an amount equal to \$1.25 per enrolled student.

Major Special Revenue Funds – Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects. Major special revenue funds include the following:

Education Fund – This fund is used to account for and report the proceeds of specific revenue sources that are restricted by grant agreements or contracts to expenditures for specified purposes supporting education enhancement programs as follows:

Regional Office of Prevention Effectiveness Services (ROPES) – This is a State grant to provide substance abuse prevention for youth ages 10-17 in Adams, Calhoun, Greene, Cass, and Morgan Counties.

Truants Alternative and Optional Education – This program provides truancy prevention programs and services for monitoring truants.

ROE/ISC Operations – This fund accounts for monies for general and administrative expenditures.

State Free Lunch and Breakfast – This program is funded by State monies to provide free breakfast and lunch to eligible needy students enrolled in the Regional Safe Schools Program.

National School Lunch Program – This program is funded by federal grants to provide reimbursement of meals through the school lunch program and free or reduced-price meals for students enrolled in the Regional Safe Schools Program.

National School Breakfast Program – This program provides breakfasts that meet federal requirements to all children in attendance at the Regional Safe School Program.

McKinney Education for Homeless Children – This program is to provide for a local homeless liaison to help homeless students in the Region.

ADAMS, BROWN, CASS, MORGAN, PIKE, AND SCOTT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 1
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. FUND ACCOUNTING (Continued)

GOVERNMENTAL FUNDS (Continued)

Education Fund (Continued)

Regional Safe Schools – This program provides activities for disruptive students who are eligible for suspension or expulsion.

Child and Family Connections – This program for preschool children with disabilities is funded by the Department of Human Services.

Tracy National Institute for School Leadership – This program provides school leadership training through the National Institute for School Leadership and is funded by a grant from the Tracy Family Foundation and a corporate donation.

Schools Against Fearful Environment (SAFE) – This program provides drug-free programs from the Sheriff’s Department to local school districts.

Regional Safe Schools Cooperative – This program provides activities for disruptive students who are eligible for suspension or expulsion. The activities provide individually designed curriculum, social skills training, career exploration and work experience opportunities, and opportunities to work toward re-entry into the traditional programs, if appropriate.

Title II – Teacher Quality – Leadership - This program accounts for the proceeds of a grant from the Illinois State Board of Education to improve teacher effectiveness in the classroom.

Early Childhood Education Initiative – This program is intended to have a learning impact on preschool age children to increase their ability to succeed in school.

Reading: A Healthy Start – By partnering with medical providers, this program seeks to develop critical early reading skills in children and encourages families to read together.

ADAMS, BROWN, CASS, MORGAN, PIKE, AND SCOTT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 1
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. FUND ACCOUNTING (Continued)

GOVERNMENTAL FUNDS (Continued)

Education Fund (Continued)

Tracy Partners to Lead – This is a grant from the Tracy Family Foundation used to support the Partners to Lead project, which aims to increase principal effectiveness in high need schools.

Adams County Academic Success Initiative – This privately funded grant initiative is designed to assist schools in meeting five key goals: students perform on grade level, students regularly attend school, students graduate from high school, students improve test scores, and parents are more involved in their child’s education. The main focus has been on the 7 Habits of Highly Effective People and the annual Quincy Conference.

Supporting Effective Educator Development – This federal grant is focused on increasing principal effectiveness in areas that lead to increases in student achievement in rural, suburban, or urban schools.

Education Innovation and Research Grant – This federal grant is focused on increasing principal effectiveness in areas that lead to increases in student achievement, particularly in rural and high-need schools.

IL-Empower – This program promotes collaboration and peer-to-peer learning as vehicles for educator-led and state-supported school improvement.

Tracy Teacher Appreciation – This private local foundation grant focuses on Educator Appreciation.

Elementary and Secondary School Relief Grant – This federal grant program provides emergency relief funds to address the impact that the Novel Coronavirus Disease 2019 (COVID-19) has had, and continues to have on schools.

Elementary and Secondary Digital Equity – This grant assists in closing the Digital Divide and enabling digital-age teaching and learning. Funds may be used to provide students with technology tools and home internet access necessary for technology-rich remote learning experiences. It is designed to reduce barriers to the continuity of education by addressing the technology and home connectivity needs.

Adams County Contact Tracing – This grant provides for contact tracing training for school nurses in Adams County. In addition, it provides additional funds for the nurses to conduct contact tracing within the schools.

ADAMS, BROWN, CASS, MORGAN, PIKE, AND SCOTT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 1
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. FUND ACCOUNTING (Continued)

GOVERNMENTAL FUNDS (Continued)

Education Fund (Concluded)

Tracy COVID Champions – This project will be a strategic partnership between ROE No. 1 and the Tracy Family Foundation to spotlight and recognize each school (public and private) within ROE No. 1, with additional schools the Tracy Family Foundation serves. All staff members working in education have been stretched and have been required to be extremely resilient during the pandemic. This partnership will provide words of encouragement and recognition for each school.

Reorganization Incentive – School District Reorganization is the umbrella term which includes consolidation, school district conversion, partial elementary unit district formation, annexation (detachment and dissolution), high school deactivation, and cooperative high school attendance centers. ISBE approves funding, through the ROE, for a district to submit a proposed agreement with an independent contractor for this feasibility study.

Institute – This fund accounts for fees collected for the registration and renewal of teaching certificates. These fees are used to defray administrative expenses incidental to teachers' institutes, workshops, or meetings of a professional nature that are designed to promote the professional growth of teachers or to defray the expense of any general or special meeting of teachers or school personnel. All funds generated remain restricted until expended only on the aforementioned activities.

The Regional Office of Education No. 1 reports the following Nonmajor Special Revenue Funds:

General Education Development (GED) – Illinois law requires the Regional Superintendent of Schools to administer the GED test. Testing fees provide testing materials and staff salaries.

Bus Driver Training – Experienced bus drivers must take a two-hour refresher course annually, while all new drivers must take an eight-hour course in bus driver safety and first aid prescribed by the Illinois State Board of Education and administered by the Regional Office.

PROPRIETARY FUNDS

Proprietary funds account for revenues and expenses related to services provided to organizations within the region on a cost-reimbursement basis. Enterprise funds are proprietary funds that are financed and operated in a manner similar to private business enterprises, where the intent is that the costs of providing goods or services to external entities or the general public on a continuing basis should be financed or recovered primarily through user charges. The Regional Office of Education No. 1 reports the following enterprise funds:

ADAMS, BROWN, CASS, MORGAN, PIKE, AND SCOTT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 1
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. FUND ACCOUNTING (Concluded)

PROPRIETARY FUNDS (Concluded)

The Regional Office of Education No. 1 reports the following nonmajor enterprise funds:

Local Workshops – This program accounts for monies received for the general operations of workshops and the administrator’s academy.

Testing Center – This fund is used to account for the activity of the new testing center located at the Regional Office of Education No. 1.

Fingerprinting – This fund accounts for the activity of criminal background checks.

FIDUCIARY FUNDS

Custodial funds are used to account for assets held by the Regional Office of Education No. 1 in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds. The Regional Office of Education No. 1 reports the following custodial fund:

School Facility Occupation Tax – This fund accounts for the assets held by the Regional Office of Education No. 1 to be distributed to local school districts. Monies are received from the State Comptroller for the School Facilities Occupation Tax and are disbursed to the school districts.

I. GOVERNMENTAL FUND BALANCES

Governmental fund equity is classified as fund balance. Fund balance is the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources in a Governmental Fund. The following types of fund balances may be presented in the Governmental Funds Balance Sheet and Governmental Funds Combining Schedule of Accounts:

Nonspendable Fund Balance – The portion of a governmental fund’s fund balance that is not available to be spent, either short term or long term, due to either its form or legal restrictions. The Regional Office of Education No. 1 has no nonspendable fund balances.

Restricted Fund Balance – The portion of a governmental fund’s fund balance that is subject to external enforceable legal restrictions. The following nonmajor special revenue funds are restricted by Illinois Statute: General Education Development, Bus Driver Training, and Institute Funds. The following Education Fund accounts are restricted by grantor or donor restrictions: Regional Office of Prevention Effectiveness Services (ROPES), McKinney Education for Homeless Children, Early Childhood Education Initiative, and Adams County Academic Success Initiative.

ADAMS, BROWN, CASS, MORGAN, PIKE, AND SCOTT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 1
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. GOVERNMENTAL FUND BALANCES (Concluded)

Committed Fund Balance – The portion of a governmental fund’s fund balance with self-imposed constraints or limitations that have been placed at the highest level of decision making. The Regional Office of Education No. 1 has no committed fund balances.

Assigned Fund Balance – The portion of a governmental fund’s fund balance for which an intended use of resources has been denoted. The accounts presented with assigned fund balances are specified for a particular purpose by the Regional Superintendent. The following General Fund accounts have assigned fund balances: School Directory, Lafayette Academy, Dental Sealants Fund, and Pike County Film Coop.

Unassigned Fund Balance – Available expendable financial resources in a governmental fund that are not designated for a specific purpose. The fund balances of the following General Fund accounts are unassigned: General Operations, General State Aid, Miscellaneous Fund, Copier Fund, and Postage Fund. The following Education Fund account has an unassigned fund deficit: Schools Against Fearful Environment (SAFE).

J. NET POSITION

Equity is classified as net position and displayed in three components:

Investment in capital assets – Consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted net position – Consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets.

Unrestricted net position – The net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

K. CASH AND CASH EQUIVALENTS

The Regional Office of Education No. 1 considers cash on hand, checking accounts, savings accounts, money market accounts, and investments with an original maturity date of less than three months to be cash and cash equivalents. As of June 30, 2021, cash and cash equivalents consisted of cash on deposit and invested in the Illinois Funds Money Market Fund.

L. ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

ADAMS, BROWN, CASS, MORGAN, PIKE, AND SCOTT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 1
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

M. CAPITAL ASSETS

Capital assets purchased or acquired with an original cost of \$500 or more and estimated useful lives of greater than one year are reported at historical cost or estimated historical cost in the government-wide financial statements. Contributed assets are reported at fair market value as of the date received. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Office equipment and furniture	5-10 years
Computer equipment	3 years
Software and licenses	2 years

In the governmental fund financial statements, capital assets are reported as capital outlay expenditures when acquired.

N. DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES AND RELATING LIABILITIES

Deferred Outflows of Resources – Deferred outflows of resources represent a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred outflows of resources consist of unrecognized items not yet charged to pension and OPEB expense and contributions from the employer after the measurement date but before the end of the employer’s reporting period.

Deferred Inflows of Resources – Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. Although certain revenues are measurable, they are not available. Available means collected within the current year or expected to be collected soon enough thereafter to be used to pay liabilities of the current year. Deferred inflows of resources are reported in the governmental fund financial statements as unavailable revenue and represent the amount of assets that have been recognized, but the related revenue has not been recognized since the assets are not collected within the current year or expected to be collected soon enough thereafter to be used to pay liabilities of the current year. Deferred inflows of resources in the governmental funds consist of grant receivables not collected within sixty days after year end.

Deferred inflows of resources in the Statement of Net Position consist of the unamortized portion of components of the net pension and OPEB assets/liabilities that will reduce pension and OPEB expense in future years.

ADAMS, BROWN, CASS, MORGAN, PIKE, AND SCOTT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 1
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

N. DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES AND RELATING LIABILITIES (Concluded)

Pensions – For purposes of measuring the net pension asset/liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Illinois Municipal Retirement System (IMRF) and Teachers’ Retirement System of the State of Illinois (TRS) and additions to/deductions from IMRF’s and TRS’ fiduciary net position have been determined on the same basis as they are reported by IMRF and TRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

Postemployment Benefits Other Than Pensions (OPEB) – For purposes of measuring the Regional Office of Education No. 1’s OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Regional Office of Education No. 1’s OPEB Plan and additions to/deductions from the Regional Office of Education No. 1’s fiduciary net position have been determined on the same basis as they are reported by the Regional Office of Education No. 1’s Plan. For this purpose, the Regional Office of Education No. 1’s Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value.

O. COMPENSATED ABSENCES

Full-time employees can earn from 10 to 20 vacation days for a full year of service. Prior to June 14, 2018, up to ten days of accumulated vacation time was allowed to be carried forward. Effective June 14, 2018 the vacation policy was amended. New employees will not be allowed to carry over vacation days nor will unused vacation days be paid out at the end of the year or upon termination. Employees with carryover balances from prior years will not be able to carryover additional vacation days starting on June 14, 2018; the only carryover allowed is their balance as of the prior year that has not been used subsequent to that date. The allowed carryover will be paid as of the date of termination.

In response to circumstances due to COVID-19, Regional Office of Education No. 1 enacted a temporary vacation policy that allowed employees to rollover up to 50% of unused fiscal year 2020 vacation days as of April 30, 2020. Those days were rolled over and used during fiscal year 2021.

Employee vacation pay is recorded when paid. At June 30, 2021, the liability for unused vacation days was \$4,215, and is shown on the Statement of Net Position.

A full-time employee is entitled to two personal leave days per year. Any unused personal leave days may be rolled into sick days at the end of the fiscal year. Employees receive up to 12 sick days annually. Employee sick leave is recorded when paid. Upon termination, employees do not receive any accumulated sick leave pay, and therefore no liability is accrued.

ADAMS, BROWN, CASS, MORGAN, PIKE, AND SCOTT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 1
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Concluded)

P. BUDGET INFORMATION

The Regional Office of Education No. 1 acts as the administrative agent for certain grant programs that are accounted for in the General and Education Funds. Certain programs have separate budgets and are required to report to the Illinois State Board of Education; however, none of the annual budgets have been legally adopted, nor are they required to be. Certain programs within the General Fund and Special Revenue Funds do not have separate budgets.

Comparisons of budgeted and actual results are presented as supplementary information. Budgetary comparison schedules have been provided in supplementary schedules for the following funds: Regional Office of Prevention Effectiveness Services (ROPES), Truants Alternative and Optional Education, ROE/ISC Operations, McKinney Education for Homeless Children, Regional Safe Schools, Child and Family Connections, Regional Safe Schools Cooperative, Title II – Teacher Quality - Leadership, Supporting Effective Educator Development, Education Innovation and Research Grant, Elementary and Secondary School Relief Grant, and Elementary and Secondary School Digital Equity.

NOTE 2 – DEPOSITS AND INVESTMENTS

The Regional Office of Education No. 1 is permitted to invest in securities as authorized by 30 ILCS-235/2 and 6 and 105 ILCS-5/8-7. It is the policy of the Regional Office to invest public funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the Regional Office and conforming to all State statutes governing the investment of public funds. This policy includes all funds under the care and control of the Regional Superintendent of Schools.

A. DEPOSITS

At June 30, 2021, the carrying amount of the Regional Office of Education No. 1's government-wide and custodial fund deposits were \$2,202,926 and \$4,465, respectively, and the bank balances were \$2,649,365 and \$4,465, respectively. Of the total bank balances as of June 30, 2021, \$506,886 was insured by Federal Depository Insurance Corporation and \$2,146,944 was collateralized by securities pledged by the Regional Office of Education No. 1's financial institution in the name of the Regional Office.

CUSTODIAL CREDIT RISK

Custodial credit risk for deposits with financial institutions is the risk that, in the event of bank failure, the Regional Office's deposits may not be returned to it. To guard against custodial credit risk for deposits with financial institutions, the Regional Office of Education No. 1's investment policy requires that deposits with financial institutions in excess of FDIC limits be secured by some form of collateral, by a written agreement, and held at an independent, third-party institution in the name of the Regional Office.

ADAMS, BROWN, CASS, MORGAN, PIKE, AND SCOTT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 1
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 2 – DEPOSITS AND INVESTMENTS (Continued)

B. INVESTMENTS

The Regional Office of Education No. 1 has a formal investment policy that permits it to invest only in certain instruments, including, among others, securities guaranteed by the full faith and credit of the United States of America as to principal and interest; bonds, notes, and similar obligations of the United States of America; interest-bearing deposits or other direct obligations of any bank as defined by the Illinois Banking Act, 205 ILCS 5/1 et seq.; short-term obligations of U.S. corporations with assets exceeding \$500,000,000 if they are rated at the time of purchase at one of the three highest classifications by at least two standard rating services, if they do not exceed 10% of the corporation's outstanding obligations, and if no more than one-third of the Regional Office's funds are invested in commercial paper; and certain money market mutual funds registered under the Federal Investment Company Act of 1940, 14 U.S.C. ¶ 80a-1 et seq.

As of June 30, 2021, the Regional Office of Education No. 1's investments consisted of certificates of deposit with original maturity dates of more than three months. Certificates of deposit comprised the \$73,195 shown as investments for governmental activities.

The Illinois Public Treasurers' Investment Pool, known as The Illinois Funds, operates as a qualified external investment pool in accordance with the criteria established in GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, and thus, reports all investments at amortized cost rather than fair value. The investment in The Illinois Funds by participants is also reported at amortized cost. The Illinois Funds does not have any limitations or restrictions on participant withdrawals. The Illinois Treasurer's Office issues a separate financial report for The Illinois Funds which may be obtained by contacting the Administrative Office at Illinois Business Center, 400 West Monroe Street, Suite 401, Springfield, Illinois 62704.

CREDIT RISK

At June 30, 2021, the Illinois Funds Money Market Fund had a Standard and Poor's AAAM rating. The pool is audited annually by an outside independent auditor, and copies of the report are distributed to participants. Although not subject to direct regulatory oversight, the fund is administered by the Illinois State Treasurer in accordance with the provision of the Illinois Public Funds Investment Act, 30 ILCS 235. All investments are fully collateralized.

CONCENTRATION OF CREDIT RISK

Unless specifically authorized by the Treasurer, the Illinois Funds Money Market Fund's investment policy limits investment categories to not exceed 25% of the portfolio with the exception of cash equivalents and U.S. Treasury securities. Further certificates of deposit cannot exceed 10% of any single financial institution's total deposits.

ADAMS, BROWN, CASS, MORGAN, PIKE, AND SCOTT COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 1
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2021

NOTE 2 – DEPOSITS AND INVESTMENTS (Concluded)

INTEREST RATE RISK

The Illinois Funds Money Market Fund, created by the Illinois General Assembly, enables custodians of public funds an investment option with a competitive rate of return on fully collateralized investments and immediate access to the funds. The investment policy of the Illinois Funds Money Market Funds states that, unless authorized specifically by the Treasurer, a minimum of 75% of its investments shall have less than one-year maturity and no investment shall exceed two years' maturity.

NOTE 3 – CAPITAL ASSETS

In accordance with GASB Statement No. 34, the Regional Office of Education No. 1 has reported capital assets in the government-wide Statement of Net Position. Purchases are reported as capital outlay in the governmental fund statements. Purchases of business-type activities are capitalized when purchased.

The following table provides a summary of changes in total assets, accumulated depreciation, and investment in capital assets for the year ended June 30, 2021:

	Balance June 30, 2020	Additions	Deletions	Balance June 30, 2021
Governmental Activities				
Capital assets being depreciated:				
Office furniture	\$ 34,162	\$ 5,820	\$ -	\$ 39,982
Office equipment	166,141	28,824	(12,820)	182,145
	<u>200,303</u>	<u>34,644</u>	<u>(12,820)</u>	<u>222,127</u>
Less accumulated depreciation:				
Office furniture	(24,358)	(2,116)	-	(26,474)
Office equipment	(122,479)	(17,296)	12,820	(126,955)
	<u>(146,837)</u>	<u>(19,412)</u>	<u>12,820</u>	<u>(153,429)</u>
Governmental Activities -				
Investment in Capital Assets	<u>\$ 53,466</u>	<u>\$ 15,232</u>	<u>\$ -</u>	<u>\$ 68,698</u>

ADAMS, BROWN, CASS, MORGAN, PIKE, AND SCOTT COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 1
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2021

NOTE 3 – CAPITAL ASSETS (Concluded)

	Balance <u>June 30, 2020</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>June 30, 2021</u>
Business-Type Activities				
Capital assets being depreciated:				
Office equipment	\$ 13,301	\$ -	\$ -	\$ 13,301
Less accumulated depreciation:				
Office equipment	<u>(2,657)</u>	<u>(2,434)</u>	<u>-</u>	<u>(5,091)</u>
Business-Type Activities -				
Investment in Capital Assets	<u>\$ 10,644</u>	<u>\$ (2,434)</u>	<u>\$ -</u>	<u>\$ 8,210</u>

Capital assets are depreciated using the straight-line method over the estimated useful lives of the assets. Depreciation expense of \$19,412 and \$2,434 was charged to Instructional Services in the governmental activities and business-type activities, respectively, on the government-wide Statement of Activities for the year ended June 30, 2021. Investment in capital assets is the component of net position that reports capital assets net of accumulated depreciation.

NOTE 4 – NONCURRENT LIABILITIES

Changes in noncurrent liabilities for the year ended June 30, 2021 are summarized as follows:

	<u>Balance, Beginning of Year</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance, End of Year</u>	<u>Due Within One Year</u>
Governmental activities:					
Net pension liability	\$ 112,581	\$ -	\$ 89,135	\$ 23,446	\$ -
OPEB liability	476,108	6,281	-	482,389	-
Compensated absences	<u>12,180</u>	<u>32,578</u>	<u>40,543</u>	<u>4,215</u>	<u>4,215</u>
Total	<u>\$ 600,869</u>	<u>\$ 38,859</u>	<u>\$ 129,678</u>	<u>\$ 510,050</u>	<u>\$ 4,215</u>

ADAMS, BROWN, CASS, MORGAN, PIKE, AND SCOTT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 1
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 5 – DEFINED-BENEFIT PENSION PLAN

IMRF Plan Description

The Regional Office of Education No. 1’s defined benefit pension plan for regular employees provides retirement and disability benefits, post-retirement increases, and death benefits to plan members and beneficiaries. The Regional Office of Education No. 1’s plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of an agent multi-employer public pension fund. A summary of IMRF’s pension benefits is provided in the “Benefits Provided” section below. Details of all benefits are available from IMRF. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available Annual Comprehensive Financial Report that includes financial statements, detailed information about the pension plan’s fiduciary net position, and required supplementary information. The report is available for download at www.imrf.org.

Benefits Provided

IMRF has three benefit plans. The vast majority of IMRF members participate in the Regular Plan (RP). The Sheriff’s Law Enforcement Personnel (SLEP) plan is for sheriffs, deputy sheriffs, and selected police chiefs. Counties could adopt the Elected County Official (ECO) plan for officials elected prior to August 8, 2011 (the ECO plan was closed to new participants after that date).

All three IMRF benefit plans have two tiers. Employees hired before January 1, 2011, are eligible for Tier 1 benefits. Tier 1 employees are vested for pension benefits when they have at least eight years of qualifying service credit. Tier 1 employees who retire at age 55 (at reduced benefits) or after age 60 (at full benefits) with eight years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any consecutive 48 months within the last 10 years of service, divided by 48. Under Tier 1, the pension is increased by 3% of the original amount on January 1 every year after retirement.

Employees hired on or after January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating employees who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with ten years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any 96 consecutive months within the last 10 years of service, divided by 96. Under Tier 2, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the lesser of:

- 3% of the original pension amount, or
- 1/2 of the increase in the Consumer Price Index of the original pension amount.

ADAMS, BROWN, CASS, MORGAN, PIKE, AND SCOTT COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 1
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2021

NOTE 5 – DEFINED-BENEFIT PENSION PLAN (Continued)

Employees Covered by Benefit Terms

As of December 31, 2020, the following employees were covered by the benefit terms:

	<u>IMRF</u>
Retirees and beneficiaries currently receiving benefits	39
Inactive plan members entitle to but not yet receiving benefits	41
Active plan members	19
Total	99

Contributions

As set by statute, the Regional Office of Education No. 1’s Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The Regional Office of Education No. 1’s annual contribution rate for fiscal year 2020 was 11.87%. For the fiscal year ended 2021, the Regional Office of Education No. 1 contributed \$85,896 to the plan. The Regional Office of Education No. 1 also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF’s Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Net Pension Liability (Asset)

The Regional Office of Education No. 1’s net pension liability (asset) was measured as of December 31, 2020. The total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The following are the methods and assumptions used to determine total pension liability at December 31, 2020:

- The **Actuarial Cost Method** used was Entry Age Normal.
- The **Asset Valuation Method** used was Market Value of Assets.
- The **Inflation Rate** was assumed to be 2.25%.
- **Salary Increases** were expected to be 2.85% to 13.75%, including inflation.
- The **Investment Rate of Return** was assumed to be 7.25%.
- **Projected Retirement Age** was from the Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2020 valuation pursuant to an experience study from 2017 to 2019.

ADAMS, BROWN, CASS, MORGAN, PIKE, AND SCOTT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 1
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 5 – DEFINED-BENEFIT PENSION PLAN (Continued)

Actuarial Assumptions (Concluded)

- For non-disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projected scale MP-2020 were used. For disabled retirees, the Pub-2010, Amount Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected scale MP-2020 were used. For active members, the Pub-2010, Amount-Weighted, below-median income, General Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected scale MP-2020 were used.
- The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table as of December 31, 2020:

Asset Class	Portfolio Target Percentage	Long-Term Expected Real Rate of Return
Equities	37%	5.00%
International Equities	18%	6.00%
Fixed Income	28%	1.30%
Real Estate	9%	6.20%
Alternative Investments	7%	
Private Equity		6.95%
Hedge Funds		N/A
Commodities		2.85%
Cash Equivalents	1%	0.70%
Total	100%	

Single Discount Rate

A Single Discount Rate of 7.25% was used to measure the total pension liability. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate as of December 31, 2020. The Single Discount Rate reflects:

1. The long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits), and

ADAMS, BROWN, CASS, MORGAN, PIKE, AND SCOTT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 1
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 5 – DEFINED-BENEFIT PENSION PLAN (Continued)

Single Discount Rate (Concluded)

2. The tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.25%, the municipal bond rate is 2.00%, and the resulting single discount rate is 7.25%.

Changes in the Net Pension Liability (Asset)

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (Asset) (A) - (B)
Balances at December 31, 2019	\$ 4,689,925	\$ 4,601,345	\$ 88,580
Changes for the year:			
Service Cost	74,896	-	74,896
Interest on the Total Pension Liability	332,707	-	332,707
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience	12,524	-	12,524
Changes of Assumptions	(49,413)	-	(49,413)
Contributions - Employer	-	86,310	(86,310)
Contributions - Employees	-	31,494	(31,494)
Net Investment Income	-	747,167	(747,167)
Benefit Payments, Including Refunds	(284,329)	(284,329)	-
Other (Net Transfer)	-	(3,514)	3,514
Net Changes	<u>86,385</u>	<u>577,128</u>	<u>(490,743)</u>
Balances at December 31, 2020	<u>\$ 4,776,310</u>	<u>\$ 5,178,473</u>	<u>\$ (402,163)</u>

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate

The following presents the plan's net pension liability (asset), calculated using a Single Discount Rate of 7.25%, as well as what the plan's net pension liability (asset) would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net Pension Liability (Asset)	\$ 133,333	\$ (402,163)	\$ (819,489)

ADAMS, BROWN, CASS, MORGAN, PIKE, AND SCOTT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 1
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 5 – DEFINED-BENEFIT PENSION PLAN (Concluded)

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions

For the year ending June 30, 2021, the Regional Office of Education No. 1 recognized pension benefit of \$75,222. At June 30, 2021, the Regional Office of Education No. 1 reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Deferred Amount Related to Pensions</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Deferred Amounts to be Recognized in Pension Expense In Future Periods		
Differences between expected and actual experience	\$ 12,274	\$ -
Net difference between projected and actual earnings on pension plan investments	-	535,397
Change of assumptions	-	26,763
Employer contributions subsequent to the measurement date	<u>44,490</u>	<u>-</u>
Total Deferred Amounts Related to Pensions	<u>\$ 56,764</u>	<u>\$ 562,160</u>

\$44,490 reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the reporting year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

Year Ending December 31,	Net Deferred Outflows/(Inflows) of Resources
2021	\$ (175,187)
2022	(99,977)
2023	(191,021)
2024	<u>(83,701)</u>
Total	<u>\$ (549,886)</u>

ADAMS, BROWN, CASS, MORGAN, PIKE, AND SCOTT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 1
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 6 – TEACHERS’ RETIREMENT SYSTEM OF THE STATE OF ILLINOIS

The Regional Office of Education No. 1 participates in the Teachers’ Retirement System of the State of Illinois (TRS). TRS is a cost-sharing multiple-employer defined benefit pension plan that was created by the Illinois legislature for the benefit of Illinois public school teachers employed outside the city of Chicago. TRS members include all active non-annuitants who are employed by a TRS-covered employer to provide services for which teacher licensure is required. The Illinois Pension Code outlines the benefit provisions of TRS, and amendments to the plan can be made only by legislative action with the Governor’s approval. The TRS Board of Trustees is responsible for the System’s administration.

TRS issues a publicly available financial report that can be obtained at <https://www.trsil.org/financial/cafrs/fy2020>; by writing to TRS at 2815 W. Washington, PO Box 19253, Springfield, IL 62794; or by calling (888) 678-3675, option 2.

Benefits provided

TRS provides retirement, disability, and death benefits. Tier I members have TRS or reciprocal system service prior to January 1, 2011. Tier I members qualify for retirement benefits at age 62 with five years of service, at age 60 with 10 years, or age 55 with 20 years. The benefit is determined by the average of the four highest consecutive years of creditable earnings within the last 10 years of creditable service and the percentage of average salary to which the member is entitled. Most members retire under a formula that provides 2.2 percent of final average salary up to a maximum of 75 percent with 34 years of service.

Tier II members qualify for retirement benefits at age 67 with 10 years of service, or a discounted annuity can be paid at age 62 with 10 years of service. Creditable earnings for retirement purposes are capped and the final average salary is based on the highest consecutive eight years of creditable service rather than the highest four. Disability provisions for Tier II are identical to those of Tier I. Death benefits are payable under a formula that is different from Tier I.

Essentially all Tier I retirees receive an annual 3 percent increase in the current retirement benefit beginning January 1 following the attainment of age 61 or on January 1 following the member’s first anniversary in retirement, whichever is later. Tier II annual increases will be the lesser of three percent of the original benefit or one-half percent of the rate of inflation beginning January 1 following attainment of age 67 or on January 1 following the member’s first anniversary in retirement, whichever is later.

Public Act 100-0023, enacted in 2017, creates an optional Tier III hybrid retirement plan, but it has not yet gone into effect. Public Act 100-0587, enacted in 2018, requires TRS to offer two temporary benefit buyout programs that expire on June 30, 2024. One program allows retiring Tier I members to receive a partial lump-sum payment in exchange for accepting a lower, delayed annual increase. The other allows inactive vested Tier I and II members to receive a partial lump-sum payment in lieu of a retirement annuity. Both programs began in 2019 and are funded by bonds issued by the State of Illinois.

ADAMS, BROWN, CASS, MORGAN, PIKE, AND SCOTT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 1
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 6 – TEACHERS’ RETIREMENT SYSTEM OF THE STATE OF ILLINOIS (Continued)

Contributions

The State of Illinois maintains the primary responsibility for funding TRS. The Illinois Pension Code, as amended by Public Act 88-0593 and subsequent acts, provides that for years 2010 through 2045, the minimum contribution to the System for each fiscal year shall be an amount determined to be sufficient to bring the total assets of the System up to 90 percent of the total actuarial liabilities of the System by the end of fiscal year 2045.

Contributions from active members and TRS contributing employers are also required by the Illinois Pension Code. The contribution rates are specified in the pension code. The active member contribution rate for the year ended June 30, 2020, was 9.0 percent of creditable earnings. The member contribution, which may be paid on behalf of employees by the employer, is submitted to TRS by the Regional Office of Education No. 1.

On-behalf contributions to TRS. The State of Illinois makes employer pension contributions on behalf of the Regional Office of Education No. 1. For the year ended June 30, 2021, State of Illinois contributions recognized by the Regional Office of Education No. 1 were based on the State’s proportionate share of the pension expense associated with the Regional Office of Education No. 1, and the Regional Office of Education No. 1 recognized revenue and expenditures of \$195,580 in pension contributions from the State of Illinois.

2.2 formula contributions. Employers contribute 0.58 percent of total creditable earnings for the 2.2 formula change. The contribution rate is specified by statute. Contributions for the year ended June 30, 2021, were \$1,329 and are deferred because they were paid after the June 30, 2020, measurement date.

Federal and special trust fund contributions. When TRS members are paid from federal and special trust funds administered by the Regional Office of Education No. 1, there is a statutory requirement for the Regional Office of Education No. 1 to pay an employer pension contribution from those funds. Under Public Act 100-0340, the federal and special trust fund contribution rate is the total employer normal cost beginning with the year ended June 30, 2018.

Previously, Regional Office of Education No. 1 contributions for employees paid from federal and special trust funds were at the same rate as the state contribution rate to TRS and were much higher.

For the year ended June 30, 2021, the employer pension contribution was 10.41 percent of salaries paid from federal and special trust funds. For the year ended June 30, 2021, salaries totaling \$90,515 were paid from federal and special trust funds that required employer contributions of \$9,423. These contributions are deferred because they were paid after the June 30, 2020 measurement date.

ADAMS, BROWN, CASS, MORGAN, PIKE, AND SCOTT COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 1
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2021

NOTE 6 – TEACHERS’ RETIREMENT SYSTEM OF THE STATE OF ILLINOIS (Continued)

Contributions (Concluded)

Employer retirement cost contributions. Under GASB Statement No. 68, contributions that an employer is required to pay because of a TRS member retiring are categorized as specific liability payments. Regional Office of Education No. 1 is required to make a one-time contribution to TRS for members granted salary increases over 6 percent if those salaries are used to calculate a retiree’s final average salary.

A one-time contribution is also required for members granted sick leave days in excess of the normal annual allotment if those days are used as TRS service credit. For the year ended June 30, 2021, the Regional Office of Education No. 1 made no payments to TRS for employer contributions due on salary increases in excess of 6 percent and no payments for sick leave days granted in excess of 3 percent, and no payments for sick leave in excess of the normal annual allotment.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2020, the Regional Office of Education No. 1 reported a liability for its proportionate share of the net pension liability (first amount shown below) that reflected a reduction for State pension support provided to the employer. The State’s support and total are for disclosure purposes only. The amount recognized by the employer as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the employer follows below:

Regional Office of Education No. 1's proportionate share of the net pension liability	\$ 23,446
State's proportionate share of the net pension liability associated with the Regional Office of Education No. 1	1,836,416
Total	\$ 1,859,862

The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2019 and rolled forward to June 30, 2020. The Regional Office of Education No. 1’s proportion of the net pension liability was based on the employer’s share of contributions to TRS for the measurement year ended June 30, 2020, relative to the contributions of all participating TRS employers and the State during that period. At June 30, 2020, the Regional Office of Education No. 1’s proportion was .0000271948 percent, which was a decrease of .0000023962 percent from its proportion measured as of June 30, 2019.

ADAMS, BROWN, CASS, MORGAN, PIKE, AND SCOTT COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 1
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2021

NOTE 6 – TEACHERS’ RETIREMENT SYSTEM OF THE STATE OF ILLINOIS (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Concluded)

For the year ended June 30, 2021, the Regional Office of Education No. 1 recognized pension expense of \$195,580 and revenue of \$195,580 for support provided by the State. For the year ended June 30, 2021, the Regional Office of Education No. 1 recognized pension expense of \$11,560. At June 30, 2021, the Regional Office of Education No. 1 reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 227	\$ 6
Net difference between projected and actual earnings on pension plan investments	700	-
Change of assumptions	96	246
Changes in proportion and differences between employer contributions and proportionate share of contributions	6,793	6,703
Employer contributions subsequent to the measurement date	<u>10,752</u>	<u>-</u>
Total	<u>\$ 18,568</u>	<u>\$ 6,955</u>

\$10,752 reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the reporting year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows in these reporting years:

Year Ended June 30:	
2022	\$ (580)
2023	40
2024	966
2025	584
2026	<u>(149)</u>
	<u>\$ 861</u>

Actuarial assumptions

The total pension liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 percent
Salary Increase	varies by amount of service credit
Investment rate of return	7.00 percent, net of pension plan investment expense, including inflation

ADAMS, BROWN, CASS, MORGAN, PIKE, AND SCOTT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 1
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 6 – TEACHERS’ RETIREMENT SYSTEM OF THE STATE OF ILLINOIS (Continued)

Actuarial assumptions (Concluded)

In the June 30, 2020 actuarial valuation, mortality rates were based on the RP-2014 White Collar Table with appropriate adjustments for TRS experience. The rates are based on a fully-generational basis using projection table MP-2017. In the June 30, 2019 actuarial valuation, mortality rates were also based on the RP-2014 White Collar Table with appropriate adjustments for TRS experience. The rates were used on a fully-generational basis using projection table MP-2014.

The long-term (20-year) expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class that were used by the actuary are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. equities large cap	16.5%	6.1%
U.S. equities small/mid cap	2.3	7.2
International equities developed	12.2	7.0
Emerging market equities	3.0	9.4
U.S. bonds core	7.0	2.2
U.S. bonds high yield	2.5	4.1
International debt developed	3.1	1.5
Emerging international debt	3.2	4.5
Real estate	16.0	5.7
Private debt	5.2	6.3
Hedge funds	10.0	4.3
Private equity	15.0	10.5
Infrastructure	4.0	6.2
Total	<u>100.0%</u>	

Discount Rate

At June 30, 2020, the discount rate used to measure the total pension liability was 7.00 percent, which was the same as the June 30, 2019 rate. The projection of cash flows used to determine the discount rate assumed that employee contributions, employer contributions, and state contributions will be made at the current statutorily-required rates.

ADAMS, BROWN, CASS, MORGAN, PIKE, AND SCOTT COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 1
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2021

NOTE 6 – TEACHERS’ RETIREMENT SYSTEM OF THE STATE OF ILLINOIS
 (Concluded)

Discount Rate (Concluded)

Based on those assumptions, TRS’s fiduciary net position at June 30, 2020 was projected to be available to make all projected future benefit payments to current active and inactive members and all benefit recipients. Tier I’s liability is partially funded by Tier II members, as the Tier II member contribution is higher than the cost of Tier II benefits. Due to this subsidy, contributions from future members in excess of the service cost are also included in the determination of the discount rate. All projected future payments were covered, so the long-term expected rate of return on TRS investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Regional Office of Education No. 1’s proportionate share of the net pension liability to changes in the discount rate

The following presents the Regional Office of Education No. 1’s proportionate share of the net pension liability calculated using the discount rate of 7.00 percent, as well as what the employer’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.00 percent) or 1 percentage point higher (8.00 percent) than the current rate.

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Regional Office of Education No. 1’s proportionate share of the net pension liability	\$28,459	\$23,446	\$19,319

TRS fiduciary net position

Detailed information about the TRS’s fiduciary net position as of June 30, 2020, is available in the separately issued TRS *Comprehensive Annual Financial Report*.

ADAMS, BROWN, CASS, MORGAN, PIKE, AND SCOTT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 1
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 7 – TEACHERS’ HEALTH INSURANCE SECURITY FUND

THIS Plan Description

The Regional Office of Education No. 1 participates in the Teachers’ Health Insurance Security (THIS) fund. The THIS fund is a non-appropriated trust fund held outside the State Treasury, with the State Treasurer as custodian. Additions deposited into the Trust are for the sole purpose of providing the health benefits to retirees, as established under the plan, and associated administrative costs. The THIS fund is a cost-sharing multiple-employer defined benefit post-employment healthcare plan that covers retired employees of participating employers throughout the State of Illinois, excluding the Chicago Public School System. THIS health coverage includes provisions for medical, prescription, and behavioral health benefits, but does not provide vision, dental, or life insurance benefits. Annuitants may participate in the State administered Preferred Provider Organization plan or choose from several managed care options. As a result of the Governor’s Executive Order 12-01, the responsibilities in relation to THIS were transferred to the Department of Central Management Services (Department) as of July 1, 2013. The Department administers the plan with the cooperation of the Teachers’ Retirement System (TRS).

Benefits Provided

The State Employees Group Insurance Act of 1971 (5 ILCS 375) outlines the benefit provisions of the THIS Fund and amendments to the plan can be made only by legislative action with the Governor’s approval. The plan is administered by Illinois Department of Central Management Services (CMS) with the cooperation of TRS. Section 6.6 of the State Employees Group Insurance Act of 1971 required all active contributors to TRS who are not employees of the State to make a contribution to the THIS Fund.

A percentage of employer required contributions in the future will not exceed 105 percent of the percentage of salary actually required to be paid in the previous fiscal year.

On-behalf contributions to the THIS Fund

The State of Illinois makes employer retiree health insurance contributions on behalf of the Regional Office of Education No. 1. For the year ended June 30, 2021, State of Illinois contributions recognized by the Regional Office of Education No. 1 were based on the State’s proportionate share of the collective net OPEB liability associated with the Regional Office of Education No. 1, and recognized revenue and expenditures of \$9,114 in OPEB contributions from the State of Illinois.

Employer contributions to the THIS Fund

The Regional Office of Education No. 1 also makes contributions to the THIS Fund. The employer THIS Fund contribution was 0.92 percent during the year ended June 30, 2021, 2020 and 2019. For the year ended June 30, 2021, the Regional Office of Education No. 1 paid \$2,108 to the THIS Fund, which was 100 percent of the required contribution. For the years ended June 30, 2020 and 2019, the Regional Office of Education No. 1 paid \$2,101 and \$2,126 to the THIS Fund, respectively, which was 100 percent of the required contribution.

ADAMS, BROWN, CASS, MORGAN, PIKE, AND SCOTT COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 1
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2021

NOTE 7 – TEACHERS’ HEALTH INSURANCE SECURITY FUND (Continued)

Further information on the THIS Fund

The publicly available financial report of the THIS Fund may be found on the website of the Illinois Auditor General: <http://www.auditor.illinois.gov/Audit-Reports/ABC-List.asp>. The current reports are listed under “Central Management Services.” Prior reports are available under “Healthcare and Family Services.”

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of June 30, 2019, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified.

Inflation	2.50%
Salary increases	Depends on service and ranges from 9.50% at 1 year of service to 4.00% at 20 or more years of service. Salary increase includes a 3.25% wage inflation assumption.
Investment rate of return	0%, net of OPEB plan investment expense, including inflation, for all plans.
Healthcare cost trend rates	Trend for fiscal year 2020 based on expected increases used to develop average costs. For fiscal years on and after 2021, trend starts at 8.25% for non-Medicare cost and post-Medicare costs, respectively, and gradually decreases to an ultimate trend rate of 4.25%. There is no additional trend rate adjustment due to the repeal of the Excise Tax.

Mortality rates for retirement and beneficiary annuitants were based on the RP-2014 White Collar Annuitant Mortality Table, adjusted for TRS experience. For disabled annuitants mortality rates were based on the RP-2014 Disabled Annuitant Table. Mortality rates for pre-retirement were based on the RP-2014 White Collar Table. All tables reflect future mortality improvements using Projection Scale MP-2017.

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2014 through June 30, 2017.

ADAMS, BROWN, CASS, MORGAN, PIKE, AND SCOTT COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 1
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2021

NOTE 7 – TEACHERS’ HEALTH INSURANCE SECURITY FUND (Continued)

Single Discount Rate

Projected benefit payments are required to be discounted to their actuarial present values using a Single Discount Rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the plan’s fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

Since the THIS fund is financed on a pay-as-you-go basis, a discount rate consistent with fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity’s index’s “20-year Municipal GO AA Index” has been selected. The discount rates are 3.13 percent as of June 30, 2019, and 2.45 percent as of June 30, 2020.

Sensitivity of the employer’s proportionate share of the collective net OPEB liability to changes in the discount rate

The following presents the Regional Office of Education No. 1’s proportionate share of the collective net OPEB liability, as well as what the ROE’s proportionate share of the collective net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.45 percent) or 1-percentage-point higher (3.45 percent) than the current discount rate:

	1% Decrease (1.45%)	Current Discount Rate (2.45%)	1% Increase (3.45%)
ROE’s proportionate share of the collective net OPEB liability	\$ 290,159	\$ 241,322	\$ 202,816

Sensitivity of the employer’s proportionate share of the collective net OPEB liability to changes in the healthcare cost trend rates

The following table shows the Regional Office of Education No. 1’s proportionate share of the collective net OPEB liability as of June 30, 2020, using current trend rates and sensitivity trend rates that are either 1-percentage-point higher or lower. The key trend rates are 8.25% in 2021 decreasing to an ultimate trend rate of 4.25% in 2037.

	1% Decrease ^a	Healthcare Cost Trend Rates	1% Increase ^b
ROE’s proportionate share of the collective net OPEB liability	\$ 194,179	\$ 241,322	\$ 305,293

ADAMS, BROWN, CASS, MORGAN, PIKE, AND SCOTT COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 1
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2021

NOTE 7 – TEACHERS’ HEALTH INSURANCE SECURITY FUND (Continued)

Sensitivity of the employer’s proportionate share of the collective net OPEB liability to changes in the healthcare cost trend rates (Continued)

^a *One percentage point decrease in healthcare trend rates are 7.25% in 2021 decreasing to an ultimate rate of 3.25% in 2037.*

^b *One percentage point increase in healthcare trend rates are 9.2500% in 2021 decreasing to an ultimate trend rate of 5.25% in 2037.*

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB.

At June 30, 2021, the Regional Office of Education No. 1 reported a liability for its proportionate share of the collective net OPEB liability that reflected a reduction for State OPEB support provided to the Regional Office of Education No. 1. The amount recognized by the Regional Office of Education No. 1 as its proportionate share of the collective net OPEB liability, the related State support, and the total portion of the collective net OPEB liability that was associated with the Regional Office of Education No. 1 were as follows:

Employers proportionate share of the collective net OPEB liability	\$	241,322
State’s proportionate share of the collective net OPEB liability associated with the employer		326,978
Total	\$	<u>568,300</u>

The collective net OPEB liability was measured as of June 30, 2020, and the total OPEB liability used to calculate the collective net OPEB liability was determined by an actuarial valuation as of June 30, 2019, and rolled forward to June 30, 2020 measurement date. The Regional Office of Education No. 1’s proportion of the collective net OPEB liability was based on a projection of the Regional Office of Education No. 1’s long-term share of contributions to the OPEB plan relative to the projected contributions of the Regional Office of Education No. 1, actuarially determined. At June 30, 2020, the Regional Office of Education No. 1’s proportion was 0.000903 percent, which was a decrease of 0.000037 from its proportion measured as of June 30, 2019 (0.000940 percent). The State’s support and total are for disclosure purposes only.

For the year ending June 30, 2021, the Regional Office of Education No. 1 recognized OPEB expense of \$9,114 and revenue of \$9,114 for support provided by the State. For the year ending June 30, 2021, the Regional Office of Education No. 1 recognized OPEB expense of \$14,274. At June 30, 2021, the Regional Office of Education No. 1 reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

ADAMS, BROWN, CASS, MORGAN, PIKE, AND SCOTT COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 1
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2021

NOTE 7 – TEACHERS’ HEALTH INSURANCE SECURITY FUND (Concluded)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 6,412
Net difference between projected and actual investment earnings on OPEB plan investments	-	7
Change of assumptions	82	39,806
Changes in proportion and differences between employer contributions and proportionate share of contributions	95,681	38,510
Employer contributions subsequent to the measurement date	<u>2,108</u>	<u>-</u>
Total	<u>\$ 97,871</u>	<u>\$ 84,735</u>

\$2,108 reported as deferred outflows of resources related to OPEB resulting from Regional Office of Education No. 1 contributions subsequent to the measurement date and before the end of the fiscal year will be included as a reduction of the collective net OPEB liability in the year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in the Regional Office of Education No. 1’s OPEB expense as follows:

Year Ending June 30,	Net Deferred Outflows/(Inflows) of Resources
2022	\$ (2,097)
2023	(2,097)
2024	(2,095)
2025	608
2026	7,303
Thereafter	<u>9,406</u>
Total	<u>\$ 11,028</u>

THIS fiduciary net position

Detailed information about the THIS’ fiduciary net position as of June 30, 2020, is available in the separately issued THIS financial report.

ADAMS, BROWN, CASS, MORGAN, PIKE, AND SCOTT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 1
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 8 – WESTERN AREA SCHOOL HEALTH BENEFIT PLAN (OPEB)

Plan Description

The Regional Office of Education No. 1 provides a single-employer defined benefit OPEB plan by participating in the Western Area School Health Benefit Plan (the WAS Plan) as a member of the Western Area School Association. Benefit terms can be amended by WAS at any time. All full time, permanent employees and their spouses are eligible to participate in the plan and have the option to continue participation upon retirement. The WAS Plan is funded through the Western Area School Employee Benefit Trust, which is a trust that does not meet the criteria in paragraph 4 of GASB Statement No. 75 due to contributions made to the plan being revocable.

Eligibility Provisions

Full-Time Employees - IMRF

Tier I IMRF Full-Time employees:

Age 55 with at least 8 years of service

Full-Time Employees - TRS

Tier I TRS Full-Time employees:

Age 55 with at least 20 years of service (Reduced Pension)

Age 60 with at least 10 years of service (Full Pension)

Age 62 with at least 5 years of service (Full Pension)

Benefits Provided

The Regional Office of Education No. 1 provides continued health insurance coverage at the blended employer rate to all eligible retirees in accordance with Illinois Compiled Statutes, which creates an implicit subsidy of retiree health insurance. Benefits for the WAS Plan include Medical and prescription drug benefits under PPO and HSA plans. IMRF and TRS employees may continue health insurance in retirement; however, they are responsible for paying the full cost of the medical premium. If retiree coverage terminates, spousal coverage will also terminate. Additional coverage is also provided for dental, vision and life insurance. IMRF and TRS employees may continue dental and vision insurance through Western Area School Benefit Plan; however, they are responsible for paying the full cost of the insurance premium. IMRF and TRS employees may convert their life insurance policy to a policy directly through Western Area School Benefit Plan, with the Regional Office of Education No. 1 no longer involved. They are responsible for paying the full cost of the life insurance premium.

ADAMS, BROWN, CASS, MORGAN, PIKE, AND SCOTT COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 1
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2021

NOTE 8 – WESTERN AREA SCHOOL HEALTH BENEFIT PLAN (OPEB) (Continued)

Membership

At June 30, 2021 membership consisted of:

Inactive employees currently receiving benefit payments	0
Inactive employees entitled to but not yet receiving benefit payments	0
Active employees	22
Total	22

Funding Policy and Contributions

Benefits are paid by the WAS Plan for Medical, prescription drug, dental, vision and life benefits as they occur. The total OPEB liabilities are currently an unfunded obligation.

The employer contributions and benefit payments are related to the increase in active premiums due to the presence of retirees in the determination of blended retiree/active premiums.

The contributions of \$16,189 from other Regional Office of Education No. 1 resources and benefit payments of \$16,189 from other Regional Office of Education No. 1 resources are contributions made to and benefit payments made from the OPEB Plan that were not directly made to or from the OPEB Trust.

Total OPEB Liability

The total OPEB liability for the current fiscal year has been developed based on the July 1, 2021 actuarial valuation date and adjusted to the June 30, 2021 measurement date based on procedures that conform to the Alternative Measurement Method and generally accepted actuarial principles and practices.

Actuarial Assumptions

Discount Rate used for the Total OPEB Liability	2.16%
Long-Term Expected Rate of Return on Plan Assets	N/A. OPEB obligation is unfunded
Long-Term Inflation Expectation	2.25%
High Quality 20 Year Tax-Exempt G.O. Bond Rate	2.16%
Salary Increases	The salary increase assumption of 2.50% was based on a review of the IMRF Experience Study Report dated November 8, 2017 and the TRS Experience Study dated September 18, 2018.

ADAMS, BROWN, CASS, MORGAN, PIKE, AND SCOTT COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 1
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2021

NOTE 8 – WESTERN AREA SCHOOL HEALTH BENEFIT PLAN (OPEB) (Continued)

Actuarial Assumptions (Continued)

Premiums	Premiums charged for coverage of retiree and spouse are \$9,312 and \$11,394, respectively with a \$1,000 deductible. Premiums charged for coverage of retiree and spouse are \$9,000 and \$9,360, respectively with a \$2,000 deductible. Premiums charged for coverage of retiree and spouse are \$8,454 and \$7,146, respectively with a HSA \$3,000 deductible.
Healthcare Trend Rates	Initial trend rate is based on the 2021 Segal Health Plan Cost Trend Survey. For fiscal years on and after 2021, trend starts at 7.70% (PPO Plans) and 7.20% (HSA Plan) and gradually decreases to an ultimate trend of 5.00%.

IMRF Mortality follows the Sex Distinct Raw Rates as developed in the RP-2014 Study, with Blue Collar Adjustment. These rates are improved generationally using MP-2016 Improvement Rates and weighted based on the IMRF November 8, 2017 Actuarial Valuation. TRS Mortality follows the Sex Distinct Raw Rates as developed in the RP-2014 Study, with White Collar Adjustment. These rates are improved generationally using MP-2017 Improvement Rates and weighted based on the September 18, 2018 Actuarial Valuation.

The retirement, termination and disability rates were based on rates from the IMRF Experience Study Report dated November 8, 2017 and based on rates from the TRS Experience Study Report dated September 18, 2018. Assumptions follow the guidance in GASB 74/75 for the Alternative Measurement Method.

ADAMS, BROWN, CASS, MORGAN, PIKE, AND SCOTT COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 1
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2021

NOTE 8 – WESTERN AREA SCHOOL HEALTH BENEFIT PLAN (OPEB) (Continued)

The mortality rates were used to estimate the single age at death per participant pursuant to the Alternative Measurement Method for GASB 75.

The following are the changes in assumptions for the June 30, 2020 measurement date:

- Changes of assumptions reflect a change in the discount rate from 2.21% in fiscal year 2020 to 2.16% in fiscal year 2021.

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at July 1, 2020	\$ 215,935
Changes for the period:	
Service Cost	26,635
Interest Cost	4,593
Changes of Benefit Terms	-
Differences Between Expected and Actual Experience	(6,285)
Changes of Assumptions	16,378
Benefit Payments	(16,189)
Net Change	25,132
 Balance at June 30, 2021	 \$ 241,067

Discount Rate

The discount rate used in the determination of the total OPEB liability is based on a combination of the expected long-term rate of return on plan investments and the municipal bond rate. If the employer does not have a trust dedicated exclusively to the payment of OPEB benefits, as is the case with the Regional Office of Education No. 1, then only the municipal bond rate is used in determining the total OPEB liability.

If the postretirement plan is funded, cash flow projections are used to determine the extent which the plan's future net position will be able to cover future benefit payments. To the extent future benefit payments are covered by the plan's projected net position, the expected rate of return on plan investments is used to determine the portion of the total OPEB liability associated with those payments. To the extent future benefit payments are not covered by the plan's projected net position, the municipal bond rate is used to determine the portion of the total OPEB liability associated with those payments.

ADAMS, BROWN, CASS, MORGAN, PIKE, AND SCOTT COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 1
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2021

NOTE 8 – WESTERN AREA SCHOOL HEALTH BENEFIT PLAN (OPEB) (Continued)

Projected benefit payments are determined during the valuation process based on the assumptions. The expected contributions are based on the funding policy of the plan.

Municipal Bond Rate

The municipal bond rate assumption is based on The Bond Buyer 20-Bond GO Index. The beginning of the year rate is 2.21%, and the end of year rate is 2.16%. The 20-Bond GO Index is based on an average of certain general obligation municipal bonds maturing in 20 years and having an average rating equivalent of Moody’s Aa2 and Standard & Poor’s AA.

The 20-Bond Index consists of 20 general obligation bonds that mature in 20 years. The average rating of the 20 bonds is roughly equivalent to Moody’s Investors Service’s Aa2 rating and Standard & Poor’s Corp.’s AA.

The indexes represent theoretical yields rather than actual price or yield quotations. Municipal bond traders are asked to estimate what a current-coupon bond for each issuer in the indexes would yield if the bond was sold at par value. The indexes are simple averages of the average estimated yield of the bonds.

Sensitivity of the Discount Rate

The following presents the Regional Office of Education No. 1’s total OPEB liability calculated using a discount rate of 2.16%, as well as what the ROE’s total OPEB liability would be if it were calculated using a single discount rate that is 1-percentage-point lower (1.16%) or 1-percentage-point higher (3.16%) than the current discount rate:

	1% Decrease	Current Discount	1% Increase
	(1.16%)	Rate (2.16%)	(3.16%)
ROE’s total OPEB liability	\$280,178	\$241,067	\$208,703

ADAMS, BROWN, CASS, MORGAN, PIKE, AND SCOTT COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 1
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2021

NOTE 8 – WESTERN AREA SCHOOL HEALTH BENEFIT PLAN (OPEB) (Continued)

Sensitivity of the Healthcare Trend Rates

The following presents the Regional Office of Education No. 1’s total OPEB liability, calculated using the healthcare cost trend rates as well as what the ROE’s total OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage point higher or lower, than the current healthcare cost trend rates. The key trend rates are 7.70% (PPO Plans) and 7.20% (HSA Plan) in 2021 decreasing to an ultimate trend rate of 5.0% (PPO and HSA Plans) in 2031.

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
	(Varies)	(Varies)	(Varies)
ROE’s total OPEB liability	\$207,248	\$241,067	\$281,327

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ending June 30, 2021, the Regional Office of Education No. 1 recognized OPEB expense of \$42,884. At June 30, 2021 the Regional Office of Education No. 1 reported no deferred outflows of resources and deferred inflows of resources related to OPEB.

NOTE 9 – COMPENSATED ABSENCES

The Regional Office of Education No. 1 allows vacation time for employees to be accumulated. Upon termination employees receive pay for unused vacation earned. The Regional Office of Education No. 1 records a liability associated with compensated absences. At June 30, 2021, the balance in this account was \$4,215.

	June 30, 2020	Additions	Deletions	June 30, 2021
Governmental Funds:	\$ 12,180	\$ 32,578	\$ 40,543	\$ 4,215

NOTE 10 – RISK MANAGEMENT

The Regional Office of Education No. 1 is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Regional Office of Education No. 1 has purchased commercial insurance to cover these risks. No losses have been incurred in excess of the amounts covered by insurance over the past three years.

ADAMS, BROWN, CASS, MORGAN, PIKE, AND SCOTT COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 1
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2021

NOTE 11 – OPERATING LEASES

The Regional Office of Education No. 1 leased office space from July 1, 2020 through June 30, 2021 at 510 Main Street, Quincy, Illinois, for \$800 per month. Office space is rented at 651 South Morgan, Virginia, Illinois, for \$500 per year. The lease term began on June 1, 2018 and ended on June 30, 2021. Office space is also leased in Jacksonville, Illinois at 747 West Lafayette Street for \$1,667 on a month-to-month basis. The Regional Office entered into a lease agreement for office space in Pittsfield, Illinois from October 1, 2019 through September 21, 2021 with monthly rent of \$500. In addition, the Regional Office leases office equipment under multiple agreements with varying end dates through March 2023 with future minimum rentals totaling \$1,485 in 2022 and \$630 in 2023.

Total office lease expense was \$36,100 and equipment lease expense was \$5,553 for the year ended June 30, 2021. Future minimum rentals are as follows for the years ending June 30:

2022	\$	2,985
2023		630
Total		<u>\$ 3,615</u>

NOTE 12 – INTERFUND ACTIVITY

DUE TO/FROM OTHER FUNDS

Interfund due to/from other fund balances at June 30, 2021, consist of the following individual due to/from other funds in the governmental fund Balance Sheet. These balances, primarily made to cover cash deficits within pooled cash accounts as of June 30, 2021, were eliminated in the government-wide Statement of Net Position.

	Due from Other Funds	Due to Other Funds
General Fund	\$ 300,214	\$ -
Education Fund	-	300,214
	<u>\$ 300,214</u>	<u>\$ 300,214</u>

ADAMS, BROWN, CASS, MORGAN, PIKE, AND SCOTT COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 1
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2021

NOTE 12 – INTERFUND ACTIVITY (Concluded)

TRANSFERS

Transfers are generally made to provide supplemental funding or to move resources from the fund required to collect the resources to the fund required to expend the resources. Interfund transfers in/out at June 30, 2021, consist of the following individual transfers in/out to other funds in the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balance. The transfer balances between governmental funds were eliminated in the government-wide Statement of Activities; however, transactions between governmental and business-type activities have not been eliminated.

	Transfers In	Transfers Out
General Fund	\$ -	\$ 10,490
Education Fund	10,490	-
	\$ 10,490	\$ 10,490

NOTE 13 – DUE TO/FROM OTHER GOVERNMENTS

The Regional Office of Education No. 1’s General Fund, Education Fund, Nonmajor Special Revenue Funds, Proprietary Funds, and Agency Fund have funds due from/to various other governmental units which consist of the following:

Due from Other Governments:

General Fund	
Local Governments	\$ 8,847
Education Fund	
Local Governments	330,627
Illinois State Board of Education	23,998
Nonmajor Special Revenue Funds	
Local Governments	530
Proprietary Funds	
Local Governments	3,411
Agency Fund	
Local Governments	1,662,805
Total Due from Other Governments	\$ 2,030,218

ADAMS, BROWN, CASS, MORGAN, PIKE, AND SCOTT COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 1
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2021

NOTE 13 – DUE TO/FROM OTHER GOVERNMENTS (Concluded)

Due to Other Governments:

General Fund

Local Governments	\$	26,358
-------------------	----	--------

Education Fund

Local Governments		81,085
-------------------	--	--------

Proprietary Funds

Local Governments		1,523
-------------------	--	-------

Agency Fund

Local Governments		1,662,805
-------------------	--	-----------

Total Due to Other Governments	\$	<u>1,771,771</u>
--------------------------------	----	------------------

NOTE 14 – ON-BEHALF PAYMENTS

The State of Illinois paid the following salaries on behalf of the Regional Office of Education No. 1:

Regional Superintendent Salary	\$	122,592
Assistant Regional Superintendent Salary		110,328
Regional Superintendent Benefits (includes State-paid insurance)		33,962
Assistant Regional Superintendent Benefits (includes State-paid insurance)		<u>38,675</u>
Total	\$	<u>305,557</u>

Salary and benefit data for the Regional Superintendent and Assistant Regional Superintendent were calculated based on data provided by the Illinois State Board of Education. These amounts have been recorded in the accompanying governmental fund financial statements as State on-behalf revenue and expenditures.

Regional Office of Education No. 1 also recorded \$204,694 in revenue and expenses as on-behalf payments from ISBE for the Regional Office’s share of the State’s Teachers’ Retirement System (TRS) pension expense and THIS OPEB expense in the Statement of Activities. In addition, the Regional Office of Education No. 1 has not included any on-behalf payments related to the State’s TRS pension expense for the Regional Superintendent or Assistant Regional Superintendent.

State of Illinois on-behalf payments		\$305,557
ROE No. 1’s share of TRS pension expense		195,580
ROE No. 1’s share of THIS pension expense		<u>9,114</u>
Total		<u>\$510,251</u>

ADAMS, BROWN, CASS, MORGAN, PIKE, AND SCOTT COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 1
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2021

NOTE 14 – ON-BEHALF PAYMENTS (Concluded)

Adams County provides office space to the Regional Office of Education No. 1 at no charge. The Regional Office of Education recognizes this activity by recording On-behalf payments – Local revenue and On-behalf expenditures – Local expense. For the year ended June 30, 2021, this activity amounted to \$42,201.

NOTE 15 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Generally accepted accounting principles require disclosure of certain information concerning individual funds which are presented only in combination on the financial statements. Funds having deficit fund balances/net position and funds which over-expend appropriations during the year are required to be disclosed. The following funds had fund deficits as of June 30, 2021:

<u>Fund</u>	<u>Amount</u>
Schools Against Fearful Environment (SAFE)	\$ (23,715)

NOTE 16 – RESTATEMENT

Governmental Accounting Standards Board Statement No. 84, *Fiduciary Activities*, was implemented during fiscal year 2021. The new requirements change the definition of fiduciary activity and establish new financial reporting requirements for state and local governments which report fiduciary activity. Beginning net position was restated to retroactively report the change in net position, as follows:

	Fudiciary Custodial Funds
Net position June 30, 2020, as previously reported	\$ -
Changes to implement GASB No. 84	4,119
Net position July 1, 2020, as restated	\$ 4,119

NOTE 17 – PROSPECTIVE ACCOUNTING CHANGE

Governmental Accounting Standards Board has issued Statement No. 87, *Leases*. This statement will be implemented for the fiscal year ending June 30, 2022. The revised requirements of this statement will require reporting of certain potentially significant lease liabilities that are not currently reported.

REQUIRED SUPPLEMENTARY INFORMATION

ADAM, BROWN, CASS, MORGAN, PIKE, AND SCOTT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 1
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY (ASSET) AND RELATED RATIOS
ILLINOIS MUNICIPAL RETIREMENT FUND
LAST SEVEN CALENDAR YEARS

Calendar Year Ended December 31,	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability	\$ 74,896	\$ 78,921	\$ 75,511	\$ 66,339	\$ 64,303	\$ 77,295	\$ 57,403
Service Cost	332,707	321,630	311,037	305,795	289,058	261,090	144,347
Changes of Benefit Terms	-	-	-	-	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	12,524	38,169	38,878	49,003	87,852	241,986	(188,384)
Changes of Assumptions	(49,413)	-	117,324	(128,773)	-	-	72,028
Benefit Payments, including Refunds of Employee Contributions	(284,329)	(284,315)	(226,357)	(227,763)	(210,378)	(191,559)	(73,531)
Net Change in Total Pension Liability	86,385	154,405	316,393	64,601	230,835	388,812	11,863
Total Pension Liability - Beginning	4,689,925	4,535,520	4,219,127	4,154,526	3,923,691	3,534,879	1,931,691
Total Pension Liability - Ending (A)	\$ 4,776,310	\$ 4,689,925	\$ 4,535,520	\$ 4,219,127	\$ 4,154,526	\$ 3,923,691	\$ 1,943,554
Plan Fiduciary Net Position	\$ 86,310	\$ 66,998	\$ 104,618	\$ 93,798	\$ 37,847	\$ 69,353	\$ 52,978
Contributions - Employer	31,494	33,695	33,037	31,014	30,577	28,955	21,872
Contributions - Employees	747,167	819,568	(154,684)	606,097	281,663	20,523	132,988
Net Investment Income	(284,329)	(284,315)	(226,357)	(227,763)	(210,378)	(191,559)	(73,531)
Benefit Payments, including Refunds of Employee Contributions	(3,514)	(4,207)	(3,029)	(3,278)	(4,035)	(2,887)	(1,755)
Other (Net Transfer)	577,128	631,739	(246,415)	499,868	135,674	(75,615)	132,552
Net Change in Plan Fiduciary Net Position	4,601,345	3,969,606	4,216,021	3,716,153	3,580,479	3,656,094	2,042,995
Plan Fiduciary Net Position - Beginning	\$ 5,178,473	\$ 4,601,345	\$ 3,969,606	\$ 4,216,021	\$ 3,716,153	\$ 3,580,479	\$ 2,175,547
Plan Fiduciary Net Position - Ending (B)	\$ (402,163)	\$ 88,580	\$ 565,914	\$ 3,106	\$ 438,373	\$ 343,212	\$ (231,993)
Net Pension Liability (Asset) - Ending (A) - (B)	108.42%	98.11%	87.52%	99.93%	89.45%	91.25%	111.94%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	682.832	730.625	734.164	689.187	679.482	643.447	486.036
Covered Payroll	-58.90%	12.12%	77.08%	0.45%	64.52%	53.34%	-47.73%
Net Pension Liability (Asset) as a Percentage of Covered Payroll							
Notes to Schedule:							

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

Changes in assumptions:

For 2014, changes are primarily from adopting an IMRF specific mortality tables with fully generational projection scale MP-2014 (base year 2014) developed from the RP-2014 mortality tables.

For 2015, changes are primarily from a change in the calculated single discount rate from 7.49% in 2014 to 7.47% in 2015.

For 2016, changes are primarily from a change in the calculated single discount rate from 7.47% in 2015 to 7.50% in 2016.

For 2017, changes are primarily from adopting an IMRF specific mortality tables with fully generational projection scale MP-2017 (base year 2015) developed from the RP-2014 mortality tables.

For 2018, the assumed investment rate of return was lowered from 7.50% to 7.25%.

For 2020, changes are primarily from adopting the Pub-2010, amount weighted, general mortality tables for retirees and active members.

ADAM, BROWN, CASS, MORGAN, PIKE, AND SCOTT COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 1
 SCHEDULE OF EMPLOYER CONTRIBUTIONS
 ILLINOIS MUNICIPAL RETIREMENT FUND
 LAST SEVEN FISCAL YEARS

Fiscal Year Ended June 30,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a Percentage of Covered Payroll
2021	\$ 86,310	\$ 85,896	\$ 414	\$ 723,558	11.87%
2020	76,381	76,381	-	698,513	10.93%
2019	88,174	88,174	-	756,859	11.65%
2018	99,340	99,340	-	712,759	13.94%
2017	64,765	64,765	-	670,397	9.66%
2016	47,496	47,536	(40)	610,251	7.79%
2015	65,187	66,690	(1,503)	616,106	10.82%

Notes to Schedule:

Summary of Actuarial Methods and Assumptions Used in the Calculation of the 2020 Contribution Rates*

Valuation Date:

Notes Actuarially determined contribution rates are calculated as of December 31 each year, which are 6 months prior to the beginning of the fiscal year in which contributions are reported.

Methods and Assumptions Used to Determine 2020 Contribution Rates:

<i>Actuarial Cost Method:</i>	Aggregate entry age normal
<i>Amortization Method:</i>	Level percentage of payroll, closed
<i>Remaining Amortization Period:</i>	23-year closed period
<i>Asset Valuation Method:</i>	5-year smoothed market; 20% corridor
<i>Wage Growth:</i>	3.25%
<i>Price Inflation:</i>	2.50%
<i>Salary Increases:</i>	3.35% to 14.25%, including inflation
<i>Investment Rate of Return:</i>	7.25%
<i>Retirement Age:</i>	Experience-based table of rates that are specific to the type of eligibility condition; last updated for the 2017 valuation pursuant to an experience study of the period 2014 to 2016.
<i>Mortality:</i>	For non-disabled retirees, an IMRF-specific mortality rates were used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, IMRF-specific mortality rates were used with fully generational projection scale MP-2017 (base year 2015). The IMRF-specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustments that were applied for non-disabled lives. For active members, IMRF-specific mortality rates were used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

Other Information:

Notes: There were no benefit changes during the year.

* Based on Valuation Assumptions used in the December 31, 2018 actuarial valuation; note two year lag between valuation and rate setting.

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

ADAM, BROWN, CASS, MORGAN, PIKE, AND SCOTT COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 1
 SCHEDULE OF THE EMPLOYER'S PROPORTIONATE
 SHARE OF THE NET PENSION LIABILITY
 TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS
 FOR THE YEAR ENDED JUNE 30, 2021†

	FY20*	FY19*	FY18*	FY17*	FY16*	FY15*	FY14*
Employer's proportion of the net pension liability	0.0000271948%	0.0000295910%	0.0000171431%	0.0000282265%	0.0000297649%	0.0000297649%	0.0000411928%
Employer's proportionate share of the net pension liability	\$ 23,446	\$ 24,001	\$ 13,362	\$ 21,564	\$ 26,125	\$ 19,499	\$ 25,069
State's proportionate share of the net pension liability associated with the employer	1,836,416	1,708,106	915,365	1,130,310	1,309,941	1,164,346	1,149,995
Total	\$ 1,859,862	\$ 1,732,107	\$ 928,727	\$ 1,151,874	\$ 1,336,066	\$ 1,183,845	\$ 1,175,064
Employer's covered payroll	\$ 228,347	\$ 231,054	\$ 139,637	\$ 135,916	\$ 161,750	\$ 247,109	\$ 180,642
Employer's proportionate share of the net pension liability as a percentage of its covered payroll	10.3%	10.4%	9.6%	15.9%	16.2%	7.9%	13.9%
Plan fiduciary net position as a percentage of the total pension liability	37.8%	39.6%	40.0%	39.3%	36.4%	41.5%	43.0%

*The amounts presented were determined as of the prior fiscal-year end.

SCHEDULE OF EMPLOYER CONTRIBUTIONS
 TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS
 FOR THE YEAR ENDED JUNE 30, 2021†

	FY21	FY20	FY19	FY18	FY17	FY16	FY15	FY14
Statutorily-required contribution	\$ 10,752	\$ 10,784	\$ 9,910	\$ 809	\$ 1,065	\$ 1,164	\$ 1,263	\$ 1,043
Contributions in relation to the statutorily-required contribution	10,752	10,808	9,911	968	1,162	1,164	1,163	1,062
Contribution deficiency (excess)	\$ -	\$ (24)	\$ (1)	\$ (159)	\$ (97)	\$ -	\$ 100	\$ (19)
Employer's covered payroll	\$ 229,112	\$ 228,347	\$ 231,054	\$ 139,637	\$ 135,916	\$ 161,750	\$ 247,109	\$ 180,642
Contributions as a percentage of covered payroll	4.69%	4.73%	4.29%	0.69%	0.85%	0.72%	0.47%	0.59%

† The information in both schedules will accumulate until a full 10-year trend is presented as required by Statement No. 68.

Notes to This Required Supplementary Information
 Changes of Assumptions

For the 2016-2020 measurement years, the assumed investment rate of return was 7.0 percent, including an inflation rate of 2.5 percent and a real return of 4.5 percent. Salary increases were assumed to vary by service credit and were consistent in 2019 and 2020. These actuarial assumptions were based on an experience study dated September 18, 2018.

For the 2015 measurement year, the assumed investment rate of return was 7.5 percent, including an inflation rate of 3.0 percent and a real return of 4.5 percent. Salary increases were assumed to vary by service credit. Various other changes in assumptions were adopted based on the experience analysis for the three-year period ending June 30, 2014.

For the 2014 measurement year, the assumed investment rate of return was also 7.5 percent, including an inflation rate of 3.0 percent and a real return of 4.5 percent. However, salary increases were assumed to vary by age.

ADAM, BROWN, CASS, MORGAN, PIKE, AND SCOTT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 1
SCHEDULE OF THE EMPLOYERS PROPORTIONATE
SHARE OF THE COLLECTIVE NET OPEB LIABILITY
TEACHERS' HEALTH INSURANCE SECURITY FUND
FOR THE YEAR ENDED JUNE 30, 2021†

	FY20*	FY19*	FY18*	FY17*	FY16*
Employer's proportion of the collective net OPEB liability	0.000903%	0.000940%	0.000524%	0.000661%	0.000694%
Employer's proportionate share of the collective net OPEB liability	\$ 241,322	\$ 260,173	\$ 137,931	\$ 171,646	\$ 189,764
State's proportionate share of the collective net OPEB liability associated with the employer	326,978	352,378	185,184	225,379	263,225
Total	\$ 568,300	\$ 612,551	\$ 323,115	\$ 397,025	\$ 452,989
Employer's covered payroll	\$ 228,347	\$ 231,054	\$ 139,637	\$ 135,916	\$ 161,750
Employer's proportionate share of the collective net OPEB liability as a percentage of its covered payroll	105.7%	112.6%	98.8%	126.3%	117.3%
Plan fiduciary net position as a percentage of the total OPEB liability	0.70%	0.25%	-0.07%	-0.17%	-0.22%

*The amounts presented were determined as of the prior fiscal-year end.

SCHEDULE OF EMPLOYER CONTRIBUTIONS
TEACHERS' HEALTH INSURANCE SECURITY FUND
FOR THE YEAR ENDED JUNE 30, 2021†

	FY21	FY20	FY19	FY18	FY17	FY16
Statutorily-required contribution	\$ 2,108	\$ 2,101	\$ 2,126	\$ 1,229	\$ 1,142	\$ 1,294
Contributions in relation to the statutorily-required contribution	2,108	2,101	2,126	1,229	1,278	1,294
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ (136)	\$ -
Employer's covered payroll	\$ 229,112	\$ 228,347	\$ 231,054	\$ 139,637	\$ 135,916	\$ 161,750
Contributions as a percentage of covered payroll	0.92%	0.92%	0.92%	0.88%	0.94%	0.80%

† The information in both schedules will accumulate until a full 10-year trend is presented as required by Statement No. 75.

Notes to This Required Supplementary Information
Changes of assumptions

For the 2018 and 2017 measurement years, the assumed investment rate of return was 0 percent, including an inflation rate of 2.75 percent. Salary increases were assumed to depend on service and range from 9.25 percent at 1 year of service to 3.25 percent at 20 or more years of service. Salary increase includes a 3.25% wage inflation assumption.

For the 2020 and 2019 measurement year, the assumed investment rate of return was 0 percent, including an inflation rate of 2.50 percent. Salary increases were assumed to depend on service and range from 9.50 percent at 1 year of service to 4.00 percent at 20 or more years of service. Salary increase includes a 3.25% wage inflation assumption.

For the 2020 measurement period, the actual trend was used for fiscal year 2020. For fiscal years on and after 2021, trend starts at 8.25% for non-Medicare costs and Medicare costs, and gradually decreases to an ultimate trend of 4.25%. There is no additional trend rate adjustment due to the repeal of the Excise Tax.

ADAM, BROWN, CASS, MORGAN, PIKE, AND SCOTT COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 1
 SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS
 WESTERN AREA SCHOOL HEALTH BENEFIT PLAN
 FOR THE YEAR ENDED JUNE 30, 2021†

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability				
Service Cost	\$ 26,635	\$ 25,586	\$ 24,555	\$ 2,545
Interest Cost	4,593	5,890	5,686	811
Changes of Benefit Terms	-	-	-	-
Differences Between Expected and Actual Experience	(6,285)	-	12,348	-
Changes of Assumptions	16,378	24,995	123,932	-
Benefit Payments	(16,189)	(17,752)	(12,893)	-
Net Change in Total OPEB Liability	<u>25,132</u>	<u>38,719</u>	<u>153,628</u>	<u>3,356</u>
Total OPEB Liability - Beginning	<u>215,935</u>	<u>177,216</u>	<u>23,588</u>	<u>20,232</u>
Total OPEB Liability - Ending	<u>\$ 241,067</u>	<u>\$ 215,935</u>	<u>\$ 177,216</u>	<u>\$ 23,588</u>
Covered Payroll	1,104,897	878,386	1,151,448	660,015
Total OPEB Liability as a Percentage of Covered Payroll	21.82%	24.58%	15.39%	3.57%

Notes to Schedule:

Changes of Benefit Terms

For June 30, 2021 there have been no changes of benefit terms from the prior period.

Changes of Assumptions

The following are the changes in assumptions for June 30, 2021:

- Changes of assumptions reflect a change in the discount rate from 2.21% in fiscal year 2020 to 2.16% in fiscal year 2021.

The following are the changes in assumptions for June 30, 2020:

- Changes of assumptions reflect a change in the discount rate from 3.50% in fiscal year 2019 to 2.21% in fiscal year 2020.
- The assumed long-term inflation expectation has been decreased from 2.50% to 2.25%.

The following are the changes in assumptions for June 30, 2019:

- The assumed increases in medical costs have been revised to 7.10% (PPO Plans) and 7.20% (HSA Plan) in the first year of the projection grading uniformly over a 10-year period to an ultimate rate of 5.00%. Previously, both plans were projected at 8.00% grading uniformly over a 5-year period to an ultimate rate of 5.00%.
- Changes of assumptions reflect a change in the discount rate from 3.56% in fiscal year 2018 to 3.87% at the beginning of fiscal year 2019 to 3.50% at the end of fiscal year 2019.
- The expected rate of compensation increases has been revised to 2.50% based upon the IMRF December 31, 2017 Actuarial Valuation and the TRS June 30, 2017 Actuarial Valuation.
- The percent of active employees assumed to continue participation from the active medical plan into the retiree medical plan upon retirement has been decreased to 30% (previously 40%) based on the current census information. Of the employees assumed to elect coverage in retirement, it is assumed 50% (previously 90%) will elect spousal coverage.
- If an employee has waived active medical coverage, it is assumed they will elect coverage in the retiree medical plan at 1/3 the rate of active employees currently with coverage.
- The mortality, retirement, termination, and disability tables were changed to reflect more current trends in IMRF and TRS populations.

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

SUPPLEMENTAL INFORMATION

ADAMS, BROWN, CASS, MORGAN, PIKE, AND SCOTT COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 1
 COMBINING SCHEDULE OF ACCOUNTS
 GENERAL FUND
 JUNE 30, 2021

	General Operations	General State Aid	Miscellaneous Fund	Copier Fund	Postage Fund
ASSETS					
Cash and cash equivalents	\$ 341,976	\$ 687,426	\$ 101,417	\$ 11,553	\$ 3,627
Due from other funds	300,214	-	-	-	-
Accounts receivable	-	-	16,555	-	-
Due from other governments	8,847	-	-	-	-
Investments	-	64,989	-	-	-
Total assets	651,037	752,415	117,972	11,553	3,627
DEFERRED OUTFLOWS OF RESOURCES					
None	-	-	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 651,037	\$ 752,415	\$ 117,972	\$ 11,553	\$ 3,627
LIABILITIES					
Accounts payable and accrued expenses	\$ 1,240	\$ 140	\$ -	\$ -	\$ -
Due to other governments	-	26,358	-	-	-
Total liabilities	1,240	26,498	-	-	-
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue	-	-	130	-	-
FUND BALANCE					
Assigned	-	-	-	-	-
Unassigned	649,797	725,917	117,842	11,553	3,627
Total fund balance	649,797	725,917	117,842	11,553	3,627
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	\$ 651,037	\$ 752,415	\$ 117,972	\$ 11,553	\$ 3,627

ADAMS, BROWN, CASS, MORGAN, PIKE, AND SCOTT COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 1
 COMBINING SCHEDULE OF ACCOUNTS
 GENERAL FUND
 JUNE 30, 2021

	School Directory	Lafayette Academy	Dental Sealants Fund	Pike County Film Coop	Totals
ASSETS					
Cash and cash equivalents	\$ 9,828	\$ 2,680	\$ 32,213	\$ 7,609	\$ 1,198,329
Due from other funds	-	-	-	-	300,214
Accounts receivable	-	-	-	-	16,555
Due from other governments	-	-	-	-	8,847
Investments	-	-	-	-	64,989
Total assets	9,828	2,680	32,213	7,609	1,588,934
DEFERRED OUTFLOWS OF RESOURCES					
None	-	-	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 9,828	\$ 2,680	\$ 32,213	\$ 7,609	\$ 1,588,934
LIABILITIES					
Accounts payable and accrued expenses	\$ -	\$ -	\$ -	\$ -	\$ 1,380
Due to other governments	-	-	-	-	26,358
Total liabilities	-	-	-	-	27,738
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue	-	-	-	-	130
FUND BALANCE					
Assigned	9,828	2,680	32,213	7,609	52,330
Unassigned	-	-	-	-	1,508,736
Total fund balance	9,828	2,680	32,213	7,609	1,561,066
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	\$ 9,828	\$ 2,680	\$ 32,213	\$ 7,609	\$ 1,588,934

ADAMS, BROWN, CASS, MORGAN, PIKE, AND SCOTT COUNTIES
REGIONAL OFFICE OF EDUCATION NO. 1
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GENERAL FUND ACCOUNTS
FOR THE YEAR ENDED JUNE 30, 2021

	General Operations	General State Aid	Miscellaneous Fund	Copter Fund	Postage Fund
REVENUES					
Local sources	\$ 341,915	\$ 328	\$ 26,027	\$ -	\$ -
On-behalf payments - Local	42,201	-	-	-	-
State sources	-	866,186	-	-	-
On-behalf payments - State	-	305,557	-	-	-
Investment earnings	1,867	2,304	766	31	9
Total revenues	385,983	1,174,375	26,793	31	9
EXPENDITURES					
Instructional services:					
Salaries and benefits	243,869	243,918	-	-	-
Pension expense	20,361	13,614	-	-	-
OPEB expense	-	245	-	-	-
Purchased services	30,221	74,428	8,816	1,153	1,142
Supplies and materials	4,837	1,750	261	-	-
Other objects	-	-	1,111	-	-
Intergovernmental:					
Payments to governments	-	442,685	-	-	-
Administrative:					
On-behalf expenditures - Local	42,201	-	-	-	-
On-behalf expenditures - State	-	305,557	-	-	-
Capital outlay	-	-	8,510	-	-
Total expenditures	341,489	1,082,197	18,698	1,153	1,142
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	44,494	92,178	8,095	(1,122)	(1,133)
OTHER FINANCING USES					
Transfers out	(326)	(10,164)	-	-	-
NET CHANGE IN FUND BALANCE	44,168	82,014	8,095	(1,122)	(1,133)
FUND BALANCE - BEGINNING	605,629	643,903	109,747	12,675	4,760
FUND BALANCE - ENDING	\$ 649,797	\$ 725,917	\$ 117,842	\$ 11,553	\$ 3,627

ADAMS, BROWN, CASS, MORGAN, PIKE, AND SCOTT COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 1
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 GENERAL FUND ACCOUNTS
 FOR THE YEAR ENDED JUNE 30, 2021

	School Directory	Lafayette Academy	Dental Sealants Fund	Pike County Film Coop	Totals
REVENUES					
Local sources	\$ 5,035	\$ 591	\$ -	\$ -	\$ 373,896
On-behalf payments - Local	-	-	-	-	42,201
State sources	-	-	-	-	866,186
On-behalf payments - State	-	-	-	-	305,557
Investment earnings	32	-	44	26	5,079
Total revenues	5,067	591	44	26	1,592,919
EXPENDITURES					
Instructional services:					
Salaries and benefits	-	-	-	-	487,787
Pension expense	-	-	-	-	33,975
OPEB expense	-	-	-	-	245
Purchased services	1,026	539	-	-	117,325
Supplies and materials	599	-	-	-	7,447
Other objects	3,127	-	-	-	4,238
Intergovernmental:					
Payments to governments	-	-	-	-	442,685
Administrative:					
On-behalf expenditures - Local	-	-	-	-	42,201
On-behalf expenditures - State	-	-	-	-	305,557
Capital outlay	-	-	-	-	8,510
Total expenditures	4,752	539	-	-	1,449,970
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	315	52	44	26	142,949
OTHER FINANCING USES					
Transfers out	-	-	-	-	(10,490)
NET CHANGE IN FUND BALANCE	315	52	44	26	132,459
FUND BALANCE - BEGINNING	9,513	2,628	32,169	7,583	1,428,607
FUND BALANCE - ENDING	\$ 9,828	\$ 2,680	\$ 32,213	\$ 7,609	\$ 1,561,066

ADAMS, BROWN, CASS, MORGAN, PIKE, AND SCOTT COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 1
 COMBINING SCHEDULE OF ACCOUNTS
 EDUCATION FUND
 JUNE 30, 2021

	Regional Office of Prevention Effectiveness Services (ROPES)	Truants Alternative and Optional Education	ROE/ISC Operations	State Free Lunch and Breakfast	National School Lunch Program	National School Breakfast Program
ASSETS						
Cash and cash equivalents	\$ -	\$ 20,668	\$ 14,063	\$ -	\$ -	\$ -
Accounts receivable	-	-	-	-	-	-
Due from other governments	17,091	-	-	-	-	-
Total assets	17,091	20,668	14,063	-	-	-
DEFERRED OUTFLOWS OF RESOURCES						
None	-	-	-	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 17,091	\$ 20,668	\$ 14,063	\$ -	\$ -	\$ -
LIABILITIES						
Accounts payable and accrued expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued salaries and benefits	-	-	-	-	-	-
Due to other funds	16,999	-	-	-	-	-
Due to other governments	72	20,668	23	-	-	-
Unearned revenue	-	-	14,040	-	-	-
Total liabilities	17,071	20,668	14,063	-	-	-
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue	-	-	-	-	-	-
FUND BALANCE (DEFICIT)						
Restricted	20	-	-	-	-	-
Unassigned	-	-	-	-	-	-
Total fund balance (deficit)	20	-	-	-	-	-
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE (DEFICIT)	\$ 17,091	\$ 20,668	\$ 14,063	\$ -	\$ -	\$ -

ADAMS, BROWN, CASS, MORGAN, PIKE, AND SCOTT COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 1
 COMBINING SCHEDULE OF ACCOUNTS
 EDUCATION FUND
 JUNE 30, 2021

	McKinney Education for Homeless Children	Regional Safe Schools	Child and Family Connections	Tracy National Institute for School Leadership	Schools Against Fearful Environment (SAFE)	Regional Safe Schools Cooperative
ASSETS						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 146,264	\$ 5,929	\$ 18,178
Accounts receivable	-	-	-	-	-	-
Due from other governments	7,310	-	137,201	-	23,715	-
Total assets	7,310	-	137,201	146,264	29,644	18,178
DEFERRED OUTFLOWS OF RESOURCES						
None	-	-	-	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 7,310</u>	<u>\$ -</u>	<u>\$ 137,201</u>	<u>\$ 146,264</u>	<u>\$ 29,644</u>	<u>\$ 18,178</u>
LIABILITIES						
Accounts payable and accrued expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued salaries and benefits	-	-	-	-	-	-
Due to other funds	7,307	-	137,201	-	-	-
Due to other governments	-	-	-	-	29,644	18,178
Unearned revenue	-	-	-	146,264	-	-
Total liabilities	7,307	-	137,201	146,264	29,644	18,178
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue	-	-	-	-	23,715	-
FUND BALANCE (DEFICIT)						
Restricted	3	-	-	-	-	-
Unassigned	-	-	-	-	(23,715)	-
Total fund balance (deficit)	3	-	-	-	(23,715)	-
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE (DEFICIT)	<u>\$ 7,310</u>	<u>\$ -</u>	<u>\$ 137,201</u>	<u>\$ 146,264</u>	<u>\$ 29,644</u>	<u>\$ 18,178</u>

ADAMS, BROWN, CASS, MORGAN, PIKE, AND SCOTT COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 1
 COMBINING SCHEDULE OF ACCOUNTS
 EDUCATION FUND
 JUNE 30, 2021

	Title II - Teacher Quality - Leadership	Early Childhood Education Initiative	Reading: A Healthy Start	Tracy Partners to Lead	Adams County Academic Success Initiative	Supporting Effective Educator Development
ASSETS						
Cash and cash equivalents	\$ -	\$ 50,795	\$ -	\$ 18,270	\$ 163,175	\$ -
Accounts receivable	-	-	-	-	303	-
Due from other governments	950	-	-	-	-	87,313
Total assets	950	50,795	-	18,270	163,478	87,313
DEFERRED OUTFLOWS OF RESOURCES						
None	-	-	-	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 950	\$ 50,795	\$ -	\$ 18,270	\$ 163,478	\$ 87,313
LIABILITIES						
Accounts payable and accrued expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued salaries and benefits	-	-	-	-	-	-
Due to other funds	950	-	-	-	-	69,313
Due to other governments	-	-	-	-	-	-
Unearned revenue	-	-	-	18,270	-	18,000
Total liabilities	950	-	-	18,270	-	87,313
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue	-	-	-	-	-	-
FUND BALANCE (DEFICIT)						
Restricted	-	50,795	-	-	163,478	-
Unassigned	-	-	-	-	-	-
Total fund balance (deficit)	-	50,795	-	-	163,478	-
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE (DEFICIT)	\$ 950	\$ 50,795	\$ -	\$ 18,270	\$ 163,478	\$ 87,313

ADAMS, BROWN, CASS, MORGAN, PIKE, AND SCOTT COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 1
 COMBINING SCHEDULE OF ACCOUNTS
 EDUCATION FUND
 JUNE 30, 2021

	Education Innovation and Research Grant	IL-Empower	Tracy Teacher Appreciation	Elementary and Secondary School Relief Grant	Elementary and Secondary Digital Equity	Adams County Contact Tracing
ASSETS						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts receivable	-	-	-	-	-	-
Due from other governments	46,547	11,450	-	8,748	1,800	-
Total assets	46,547	11,450	-	8,748	1,800	-
	-	-	-	-	-	-
DEFERRED OUTFLOWS OF RESOURCES						
None	-	-	-	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 46,547	\$ 11,450	\$ -	\$ 8,748	\$ 1,800	\$ -
LIABILITIES						
Accounts payable and accrued expenses	\$ -	\$ -	\$ -	\$ 101	\$ -	\$ -
Accrued salaries and benefits	-	-	-	-	-	-
Due to other funds	46,547	11,450	-	8,647	1,800	-
Due to other governments	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-
Total liabilities	46,547	11,450	-	8,748	1,800	-
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue	-	-	-	-	-	-
FUND BALANCE (DEFICIT)						
Restricted	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
Total fund balance (deficit)	-	-	-	-	-	-
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE (DEFICIT)	\$ 46,547	\$ 11,450	\$ -	\$ 8,748	\$ 1,800	\$ -

ADAMS, BROWN, CASS, MORGAN, PIKE, AND SCOTT COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 1
 COMBINING SCHEDULE OF ACCOUNTS
 EDUCATION FUND
 JUNE 30, 2021

	Tracy COVID Champions	Reorganization Incentive	Totals
ASSETS			
Cash and cash equivalents	\$ -	\$ -	\$ 437,342
Accounts receivable	-	-	303
Due from other governments	-	12,500	354,625
Total assets	-	12,500	792,270
DEFERRED OUTFLOWS OF RESOURCES			
None	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ -	\$ 12,500	\$ 792,270
LIABILITIES			
Accounts payable and accrued expenses	\$ -	\$ -	\$ 101
Accrued salaries and benefits	-	-	-
Due to other funds	-	-	300,214
Due to other governments	-	12,500	81,085
Unearned revenue	-	-	196,574
Total liabilities	-	12,500	577,974
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue	-	-	23,715
FUND BALANCE (DEFICIT)			
Restricted	-	-	214,296
Unassigned	-	-	(23,715)
Total fund balance (deficit)	-	-	190,581
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE (DEFICIT)	\$ -	\$ 12,500	\$ 792,270

ADAMS, BROWN, CASS, MORGAN, PIKE, AND SCOTT COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 1
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 EDUCATION FUND ACCOUNTS
 FOR THE YEAR ENDED JUNE 30, 2021

	Regional Office of Prevention Effectiveness Services (ROPES)	Truants Alternative and Optional Education	ROE/ISC Operations	State Free Lunch and Breakfast	National School Lunch Program	National School Breakfast Program
REVENUES						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	183,429	124,437	393	-	-
Federal sources	95,401	-	-	-	1,278	509
Investment earnings	-	-	-	-	-	-
Total revenues	95,401	183,429	124,437	393	1,278	509
EXPENDITURES						
Instructional services:						
Salaries and benefits	55,712	144,326	98,975	-	-	-
Pension expense	5,064	9,905	1,588	-	-	-
OPEB expense	-	60	-	-	-	-
Purchased services	6,152	24,641	21,763	393	-	-
Supplies and materials	6,607	4,497	2,111	-	-	-
Other objects	-	-	-	-	1,278	509
Intergovernmental:						
Payments to other governments	-	-	-	-	-	-
Capital outlay	692	-	-	-	-	-
Total expenditures	74,227	183,429	124,437	393	1,278	509
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	21,174	-	-	-	-	-
OTHER FINANCING SOURCES:						
Transfers in	-	-	-	-	-	-
NET CHANGE IN FUND BALANCE (DEFICIT)	21,174	-	-	-	-	-
FUND BALANCE (DEFICIT) - BEGINNING	(21,154)	-	-	-	-	-
FUND BALANCE (DEFICIT) - ENDING	\$ 20	\$ -	\$ -	\$ -	\$ -	\$ -

ADAMS, BROWN, CASS, MORGAN, PIKE, AND SCOTT COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 1
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 EDUCATION FUND ACCOUNTS
 FOR THE YEAR ENDED JUNE 30, 2021

	McKinney Education for Homeless Children	Regional Safe Schools	Child and Family Connections	Tracy National Institute for School Leadership	Schools Against Fearful Environment (SAFE)	Regional Safe Schools Cooperative
REVENUES						
Local sources	\$ -	\$ -	\$ -	\$ 57,394	\$ 40,655	\$ -
State sources	-	80,863	462,198	-	-	26,921
Federal sources	48,315	-	-	-	-	-
Investment earnings	-	-	-	-	-	-
Total revenues	48,315	80,863	462,198	57,394	40,655	26,921
EXPENDITURES						
Instructional services:						
Salaries and benefits	23,266	43,253	345,237	6,554	-	-
Pension expense	2,377	621	32,668	-	-	-
OPEB expense	-	30	-	-	-	-
Purchased services	16,234	37	38,094	50,132	-	-
Supplies and materials	6,435	-	30,419	708	-	-
Other objects	-	-	2,668	-	-	-
Intergovernmental:						
Payments to other governments	-	36,922	-	-	50,819	26,921
Capital outlay	-	-	13,112	-	-	-
Total expenditures	48,312	80,863	462,198	57,394	50,819	26,921
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	3	-	-	-	(10,164)	-
OTHER FINANCING SOURCES:						
Transfers in	-	-	-	-	10,164	-
NET CHANGE IN FUND BALANCE (DEFICIT)	3	-	-	-	-	-
FUND BALANCE (DEFICIT) - BEGINNING	-	-	-	-	(23,715)	-
FUND BALANCE (DEFICIT) - ENDING	3	-	-	-	(23,715)	-

ADAMS, BROWN, CASS, MORGAN, PIKE, AND SCOTT COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 1
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 EDUCATION FUND ACCOUNTS
 FOR THE YEAR ENDED JUNE 30, 2021

	Title II - Teacher Quality - Leadership	Early Childhood Education Initiative	Reading: A Healthy Start	Tracy Partners to Lead	Adams County Academic Success Initiative	Supporting Effective Educator Development
REVENUES						
Local sources	\$ -	\$ 52,508	\$ 7,045	\$ 26,645	\$ 18,487	\$ -
State sources	-	-	-	-	-	-
Federal sources	950	-	-	-	-	381,694
Investment earnings	-	-	-	-	540	-
Total revenues	950	52,508	7,045	26,645	19,027	381,694
EXPENDITURES						
Instructional services:						
Salaries and benefits	-	23,554	-	-	9,071	124,611
Pension expense	-	-	-	-	9	9,796
OPEB expense	-	-	-	-	2	1,767
Purchased services	950	5,098	-	26,645	31,000	139,244
Supplies and materials	-	43,300	9,108	-	-	7,819
Other objects	-	-	-	-	-	-
Intergovernmental:						
Payments to other governments	-	-	-	-	-	98,457
Capital outlay	-	-	-	-	-	-
Total expenditures	950	71,952	9,108	26,645	40,082	381,694
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	(19,444)	(2,063)	-	(21,055)	-
OTHER FINANCING SOURCES:						
Transfers in	-	-	-	-	-	-
NET CHANGE IN FUND BALANCE (DEFICIT)	-	(19,444)	(2,063)	-	(21,055)	-
FUND BALANCE (DEFICIT) - BEGINNING	-	70,239	2,063	-	184,533	-
FUND BALANCE (DEFICIT) - ENDING	\$ -	\$ 50,795	\$ -	\$ -	\$ 163,478	\$ -

ADAMS, BROWN, CASS, MORGAN, PIKE, AND SCOTT COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 1
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 EDUCATION FUND ACCOUNTS
 FOR THE YEAR ENDED JUNE 30, 2021

	Education Innovation and Research Grant	IL-Empower	Tracy Teacher Appreciation	Elementary and Secondary School Relief Grant	Elementary and Secondary Digital Equity	Adams County Contact Tracing
REVENUES						
Local sources	\$ -	\$ 52,651	\$ 175	\$ -	\$ -	\$ 75,000
State sources	-	-	-	-	-	-
Federal sources	131,739	-	-	10,193	21,647	-
Investment earnings	-	-	-	-	-	-
Total revenues	131,739	52,651	175	10,193	21,647	75,000
EXPENDITURES						
Instructional services:						
Salaries and benefits	-	3,486	-	7,857	-	-
Pension expense	-	-	-	645	-	-
OPEB expense	-	-	-	4	-	-
Purchased services	47,695	49,165	-	-	4,281	3,051
Supplies and materials	-	-	477	861	5,886	-
Other objects	-	-	-	-	-	-
Intergovernmental:						
Payments to other governments	81,774	-	-	-	-	71,949
Capital outlay	-	-	-	850	11,480	-
Total expenditures	129,469	52,651	477	10,217	21,647	75,000
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	2,270	-	(302)	(24)	-	-
OTHER FINANCING SOURCES:						
Transfers in	-	-	302	24	-	-
NET CHANGE IN FUND BALANCE (DEFICIT)	2,270	-	-	-	-	-
FUND BALANCE (DEFICIT) - BEGINNING	(2,270)	-	-	-	-	-
FUND BALANCE (DEFICIT) - ENDING	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

ADAMS, BROWN, CASS, MORGAN, PIKE, AND SCOTT COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 1
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 EDUCATION FUND ACCOUNTS
 FOR THE YEAR ENDED JUNE 30, 2021

	Tracy COVID Champions	Reorganization Incentive	Totals
REVENUES			
Local sources	\$ 5,000	\$ -	\$ 335,560
State sources	-	12,500	890,741
Federal sources	-	-	691,726
Investment earnings	-	-	540
Total revenues	5,000	12,500	1,918,567
EXPENDITURES			
Instructional services:			
Salaries and benefits	-	-	885,902
Pension expense	-	-	62,673
OPEB expense	-	-	1,863
Purchased services	1,862	12,500	478,937
Supplies and materials	3,138	-	121,366
Other objects	-	-	4,455
Intergovernmental:			
Payments to other governments	-	-	366,842
Capital outlay	-	-	26,134
Total expenditures	5,000	12,500	1,948,172
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES			
	-	-	(29,605)
OTHER FINANCING SOURCES:			
Transfers in	-	-	10,490
NET CHANGE IN FUND BALANCE (DEFICIT)			
	-	-	(19,115)
FUND BALANCE (DEFICIT) - BEGINNING			
	-	-	209,696
FUND BALANCE (DEFICIT) - ENDING			
	\$ -	\$ -	\$ 190,581

ADAM, BROWN, CASS, MORGAN, PIKE, AND SCOTT COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 1
 BUDGETARY COMPARISON SCHEDULE
 EDUCATION FUND ACCOUNT
 REGIONAL OFFICE OF PREVENTION EFFECTIVENESS SERVICES (ROPES)
 FOR THE YEAR ENDED JUNE 30, 2021

	Budgeted Amounts		Actual
	Original	Final	
REVENUES			
Federal sources	\$ 96,636	\$ 96,636	\$ 95,401
Total revenues	96,636	96,636	95,401
EXPENDITURES			
Instructional services:			
Salaries and benefits	61,880	61,880	55,712
Pension expense	-	-	5,064
Purchased services	19,149	19,149	6,152
Supplies and materials	5,607	5,607	6,607
Other objects	10,000	10,000	-
Capital outlay	-	-	692
Total expenditures	96,636	96,636	74,227
NET CHANGE IN FUND BALANCE (DEFICIT)	-	-	21,174
FUND BALANCE (DEFICIT) - BEGINNING	-	-	(21,154)
FUND BALANCE - ENDING	\$ -	\$ -	\$ 20

ADAM, BROWN, CASS, MORGAN, PIKE, AND SCOTT COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 1
 BUDGETARY COMPARISON SCHEDULE
 EDUCATION FUND ACCOUNT
 TRUANTS ALTERNATIVE AND OPTIONAL EDUCATION
 FOR THE YEAR ENDED JUNE 30, 2021

	Budgeted Amounts		Actual
	Original	Final	
REVENUES			
State sources	\$ 183,429	\$ 183,429	\$ 183,429
Total revenues	183,429	183,429	183,429
EXPENDITURES			
Instructional services:			
Salaries and benefits	150,139	150,139	144,326
Pension expense	-	-	9,905
OPEB expense	-	-	60
Purchased services	29,790	29,790	24,641
Supplies and materials	3,500	3,500	4,497
Total expenditures	183,429	183,429	183,429
NET CHANGE IN FUND BALANCE	-	-	-
FUND BALANCE - BEGINNING	-	-	-
FUND BALANCE - ENDING	\$ -	\$ -	\$ -

ADAM, BROWN, CASS, MORGAN, PIKE, AND SCOTT COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 1
 BUDGETARY COMPARISON SCHEDULE
 EDUCATION FUND ACCOUNT
 ROE/ISC OPERATIONS
 FOR THE YEAR ENDED JUNE 30, 2021

	Budgeted Amounts		Actual
	Original	Final	
REVENUES			
State sources	\$ 125,589	\$ 125,589	\$ 124,437
Total revenues	125,589	125,589	124,437
EXPENDITURES			
Instructional services:			
Salaries and benefits	97,874	111,074	98,975
Pension expense	-	-	1,588
Purchased services	25,589	11,079	21,763
Supplies and materials	2,126	3,436	2,111
Total expenditures	125,589	125,589	124,437
NET CHANGE IN FUND BALANCE	-	-	-
FUND BALANCE - BEGINNING	-	-	-
FUND BALANCE - ENDING	\$ -	\$ -	\$ -

ADAM, BROWN, CASS, MORGAN, PIKE, AND SCOTT COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 1
 BUDGETARY COMPARISON SCHEDULE
 EDUCATION FUND ACCOUNT
 MCKINNEY EDUCATION FOR HOMELESS CHILDREN
 FOR THE YEAR ENDED JUNE 30, 2021

	Budgeted Amounts		Actual
	Original	Final	
REVENUES			
Federal sources	\$ 37,736	\$ 48,312	\$ 48,315
Total revenues	<u>37,736</u>	<u>48,312</u>	<u>48,315</u>
EXPENDITURES			
Instructional services:			
Salaries and benefits	25,639	25,639	23,266
Pension expense	-	-	2,377
Purchased services	11,840	16,568	16,234
Supplies and materials	257	6,105	6,435
Total expenditures	<u>37,736</u>	<u>48,312</u>	<u>48,312</u>
NET CHANGE IN FUND BALANCE	-	-	3
FUND BALANCE - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3</u>

ADAM, BROWN, CASS, MORGAN, PIKE, AND SCOTT COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 1
 BUDGETARY COMPARISON SCHEDULE
 EDUCATION FUND ACCOUNT
 REGIONAL SAFE SCHOOLS
 FOR THE YEAR ENDED JUNE 30, 2021

	Budgeted Amounts		Actual
	Original	Final	
REVENUES			
State sources	\$ 80,863	\$ 80,863	\$ 80,863
Total revenues	80,863	80,863	80,863
EXPENDITURES			
Instructional services:			
Salaries and benefits	42,402	42,402	43,253
Pension expense	-	-	621
OPEB expense	-	-	30
Purchased services	668	668	37
Intergovernmental:			
Payments to other governments	37,793	37,793	36,922
Total expenditures	80,863	80,863	80,863
NET CHANGE IN FUND BALANCE	-	-	-
FUND BALANCE - BEGINNING	-	-	-
FUND BALANCE - ENDING	\$ -	\$ -	\$ -

ADAM, BROWN, CASS, MORGAN, PIKE, AND SCOTT COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 1
 BUDGETARY COMPARISON SCHEDULE
 EDUCATION FUND ACCOUNT
 CHILD AND FAMILY CONNECTIONS
 FOR THE YEAR ENDED JUNE 30, 2021

	Budgeted Amounts		Actual
	Original	Final	
REVENUES			
State sources	\$ 494,112	\$ 494,112	\$ 462,198
Total revenues	<u>494,112</u>	<u>494,112</u>	<u>462,198</u>
EXPENDITURES			
Instructional services:			
Salaries and benefits	388,215	387,710	345,237
Pension expense	-	-	32,668
Purchased services	47,564	44,167	38,094
Supplies and materials	41,789	40,771	30,419
Other objects	7,990	7,990	2,668
Capital outlay	8,554	13,474	13,112
Total expenditures	<u>494,112</u>	<u>494,112</u>	<u>462,198</u>
NET CHANGE IN FUND BALANCE	-	-	-
FUND BALANCE - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

ADAM, BROWN, CASS, MORGAN, PIKE, AND SCOTT COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 1
 BUDGETARY COMPARISON SCHEDULE
 EDUCATION FUND ACCOUNT
 REGIONAL SAFE SCHOOLS COOPERATIVE
 FOR THE YEAR ENDED JUNE 30, 2021

	Budgeted Amounts		Actual
	Original	Final	
REVENUES			
State sources	\$ 39,426	\$ 26,921	\$ 26,921
Total revenues	39,426	26,921	26,921
EXPENDITURES			
Intergovernmental:			
Payments to other governments	39,426	26,921	26,921
Total expenditures	39,426	26,921	26,921
NET CHANGE IN FUND BALANCE	-	-	-
FUND BALANCE - BEGINNING	-	-	-
FUND BALANCE - ENDING	\$ -	\$ -	\$ -

ADAM, BROWN, CASS, MORGAN, PIKE, AND SCOTT COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 1
 BUDGETARY COMPARISON SCHEDULE
 EDUCATION FUND ACCOUNT
 TITLE II - TEACHER QUALITY - LEADERSHIP
 FOR THE YEAR ENDED JUNE 30, 2021

	Budgeted Amounts		Actual
	Original	Final	
REVENUES			
Federal sources	\$ 1,323	\$ 1,323	\$ 950
Total revenues	<u>1,323</u>	<u>1,323</u>	<u>950</u>
EXPENDITURES			
Instructional services:			
Purchased services	<u>1,323</u>	<u>1,323</u>	<u>950</u>
Total expenditures	<u>1,323</u>	<u>1,323</u>	<u>950</u>
NET CHANGE IN FUND BALANCE	-	-	-
FUND BALANCE - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

ADAM, BROWN, CASS, MORGAN, PIKE, AND SCOTT COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 1
 BUDGETARY COMPARISON SCHEDULE
 EDUCATION FUND ACCOUNT
 SUPPORTING EFFECTIVE EDUCATOR DEVELOPMENT
 FOR THE YEAR ENDED JUNE 30, 2021

	Budgeted Amounts		Actual
	Original	Final	
REVENUES			
Federal sources	\$ 182,180	\$ 266,800	\$ 381,694
Total revenues	182,180	266,800	381,694
EXPENDITURES			
Instructional services:			
Salaries and benefits	119,680	119,800	124,611
Pension expense	-	-	9,796
OPEB expense	-	-	1,767
Purchased services	62,500	99,000	139,244
Supplies and materials	-	-	7,819
Intergovernmental:			
Payments to other governments	-	48,000	98,457
Total expenditures	182,180	266,800	381,694
NET CHANGE IN FUND BALANCE	-	-	-
FUND BALANCE - BEGINNING	-	-	-
FUND BALANCE - ENDING	\$ -	\$ -	\$ -

ADAM, BROWN, CASS, MORGAN, PIKE, AND SCOTT COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 1
 BUDGETARY COMPARISON SCHEDULE
 EDUCATION FUND ACCOUNT
 EDUCATION INNOVATION AND RESEARCH GRANT
 FOR THE YEAR ENDED JUNE 30, 2021

	Budgeted Amounts		Actual
	Original	Final	
REVENUES			
Federal sources	\$ 150,791	\$ 150,791	\$ 131,739
Total revenues	150,791	150,791	131,739
EXPENDITURES			
Instructional services:			
Purchased services	43,291	43,291	47,695
Intergovernmental:			
Payments to other governments	107,500	107,500	81,774
Total expenditures	150,791	150,791	129,469
NET CHANGE IN FUND BALANCE (DEFICIT)	-	-	2,270
FUND BALANCE (DEFICIT) - BEGINNING	-	-	(2,270)
FUND BALANCE - ENDING	\$ -	\$ -	\$ -

ADAM, BROWN, CASS, MORGAN, PIKE, AND SCOTT COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 1
 BUDGETARY COMPARISON SCHEDULE
 EDUCATION FUND ACCOUNT
 ELEMENTARY AND SECONDARY SCHOOL RELIEF GRANT
 FOR THE YEAR ENDED JUNE 30, 2021

	Budgeted Amounts		Actual
	Original	Final	
REVENUES			
Federal sources	\$ 8,749	\$ 8,749	\$ 10,193
Total revenues	8,749	8,749	10,193
EXPENDITURES			
Instructional services:			
Salaries and benefits	8,200	8,200	7,857
Pension expense	-	-	645
OPEB expense	-	-	4
Supplies and materials	549	549	861
Capital outlay	-	-	850
Total expenditures	8,749	8,749	10,217
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	(24)
OTHER FINANCING SOURCES			
Transfers in	-	-	24
NET CHANGE IN FUND BALANCE	-	-	-
FUND BALANCE - BEGINNING	-	-	-
FUND BALANCE - ENDING	\$ -	\$ -	\$ -

ADAM, BROWN, CASS, MORGAN, PIKE, AND SCOTT COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 1
 BUDGETARY COMPARISON SCHEDULE
 EDUCATION FUND ACCOUNT
 ELEMENTARY AND SECONDARY DIGITAL EQUITY
 FOR THE YEAR ENDED JUNE 30, 2021

	Budgeted Amounts		Actual
	Original	Final	
REVENUES			
Federal sources	\$ 65,789	\$ 65,789	\$ 21,647
Total revenues	65,789	65,789	21,647
EXPENDITURES			
Instructional services:			
Purchased services	7,200	7,200	4,281
Supplies and materials	46,589	46,589	5,886
Capital outlay	12,000	12,000	11,480
Total expenditures	65,789	65,789	21,647
NET CHANGE IN FUND BALANCE	-	-	-
FUND BALANCE - BEGINNING	-	-	-
FUND BALANCE - ENDING	\$ -	\$ -	\$ -

ADAM, BROWN, CASS, MORGAN, PIKE, AND SCOTT COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 1
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2021

	General Education Development	Bus Driver Training	Totals
ASSETS			
Cash and cash equivalents	\$ 37,530	\$ 35,307	\$ 72,837
Accounts receivable	-	30	30
Due from other governments	-	530	530
Investments	-	-	-
Total assets	37,530	35,867	73,397
DEFERRED OUTFLOWS OF RESOURCES			
None	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES			
	\$ 37,530	\$ 35,867	\$ 73,397
LIABILITIES			
None	-	-	-
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue	-	130	130
FUND BALANCE			
Restricted	37,530	35,737	73,267
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE			
	\$ 37,530	\$ 35,867	\$ 73,397

ADAM, BROWN, CASS, MORGAN, PIKE, AND SCOTT COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 1
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2021

	General Education Development	Bus Driver Training	Totals
REVENUES			
Local sources	-	\$ 4,460	\$ 4,460
State sources	-	1,501	1,501
Investment earnings	-	93	93
Total revenues	-	6,054	6,054
EXPENDITURES			
Instructional services:			
Purchased services	58	4,135	4,193
Supplies and materials	-	6	6
Total expenditures	58	4,141	4,199
NET CHANGE IN FUND BALANCE	(58)	1,913	1,855
FUND BALANCE - BEGINNING	37,588	33,824	71,412
FUND BALANCE - ENDING	\$ 37,530	\$ 35,737	\$ 73,267

ADAM, BROWN, CASS, MORGAN, PIKE, AND SCOTT COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 1
 COMBINING STATEMENT OF NET POSITION
 NONMAJOR PROPRIETARY FUNDS
 JUNE 30, 2021

	Business-Type Activities Proprietary Funds			
	Local Workshops	Testing Center	Fingerprinting	Total
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 69,280	\$ 41,888	\$ 94,038	\$ 205,206
Accounts receivable	-	10	111	121
Due from other governments	801	-	2,610	3,411
Total current assets	70,081	41,898	96,759	208,738
Noncurrent assets:				
Capital assets, being depreciated, net	29	2,031	6,150	8,210
TOTAL ASSETS	70,110	43,929	102,909	216,948
DEFERRED OUTFLOWS OF RESOURCES				
None	-	-	-	-
LIABILITIES				
Current liabilities:				
Due to other governments	-	-	1,523	1,523
DEFERRED INFLOWS OF RESOURCES				
None	-	-	-	-
NET POSITION				
Invested in capital assets	29	2,031	6,150	8,210
Unrestricted	70,081	41,898	95,236	207,215
TOTAL NET POSITION	\$ 70,110	\$ 43,929	\$ 101,386	\$ 215,425

ADAM, BROWN, CASS, MORGAN, PIKE, AND SCOTT COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 1
 COMBINING STATEMENT OF REVENUES, EXPENSES,
 AND CHANGES IN FUND NET POSITION
 NONMAJOR PROPRIETARY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2021

	Business-Type Activities Proprietary Funds			
	Local Workshops	Testing Center	Fingerprinting	Total
OPERATING REVENUES				
Charges for services	\$ 21,824	\$ 9,946	\$ 19,947	\$ 51,717
Total operating revenues	<u>21,824</u>	<u>9,946</u>	<u>19,947</u>	<u>51,717</u>
OPERATING EXPENSES				
Purchased services	19,043	1,127	7,097	27,267
Supplies and materials	2,132	1,370	207	3,709
Depreciation	29	728	1,677	2,434
Total operating expenses	<u>21,204</u>	<u>3,225</u>	<u>8,981</u>	<u>33,410</u>
OPERATING INCOME	620	6,721	10,966	18,307
NONOPERATING REVENUE				
Investment earnings	132	106	259	497
CHANGE IN NET POSITION	752	6,827	11,225	18,804
TOTAL NET POSITION - BEGINNING	<u>69,358</u>	<u>37,102</u>	<u>90,161</u>	<u>196,621</u>
TOTAL NET POSITION - ENDING	<u>\$ 70,110</u>	<u>\$ 43,929</u>	<u>\$ 101,386</u>	<u>\$ 215,425</u>

ADAM, BROWN, CASS, MORGAN, PIKE, AND SCOTT COUNTIES
 REGIONAL OFFICE OF EDUCATION NO. 1
 COMBINING STATEMENT OF CASH FLOWS
 NONMAJOR PROPRIETARY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2021

	Business-Type Activities Proprietary Funds			
	Local Workshops	Testing Center	Fingerprinting	Total
Cash Flows from Operating Activities:				
Receipts from customers	\$ 22,904	\$ 9,936	\$ 17,226	\$ 50,066
Payments to suppliers and providers of goods and services	<u>(21,175)</u>	<u>(2,497)</u>	<u>(7,350)</u>	<u>(31,022)</u>
Net Cash Provided by Operating Activities	<u>1,729</u>	<u>7,439</u>	<u>9,876</u>	<u>19,044</u>
Cash Flows from Investing Activities:				
Interest income	<u>132</u>	<u>106</u>	<u>259</u>	<u>497</u>
Net Cash Provided by Investing Activities	<u>132</u>	<u>106</u>	<u>259</u>	<u>497</u>
Net increase in cash and cash equivalents	1,861	7,545	10,135	19,541
Cash and cash equivalents - Beginning	<u>67,419</u>	<u>34,343</u>	<u>83,903</u>	<u>185,665</u>
Cash and cash equivalents - Ending	<u>\$ 69,280</u>	<u>\$ 41,888</u>	<u>\$ 94,038</u>	<u>\$ 205,206</u>
Reconciliation of operating income to net cash provided by operating activities:				
Operating income	\$ 620	\$ 6,721	\$ 10,966	\$ 18,307
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation expense	29	728	1,677	2,434
(Increase)/Decrease in assets:				
Accounts receivable	150	(10)	(111)	29
Due from other governments	930	-	(2,610)	(1,680)
Increase/(Decrease) in liabilities:				
Due to other governments	-	-	(46)	(46)
Net cash provided by operating activities	<u>\$ 1,729</u>	<u>\$ 7,439</u>	<u>\$ 9,876</u>	<u>\$ 19,044</u>